

JULY ...

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Pack-adages, written by Francis Chilson, brings new ideas in Packaging . . . Mr. Hutchinson continues his discussion of Air Conditioning . . . Capt. Purdon tells the manufacturers how 13 firms saved \$417,500 . . . The Clinic Superintendent finishes his discussion of Marshmallows, Fudges and Caramels.

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U.S. Department of Agriculture

The MANUFACTURING CONFECTIONER

A Worm

*Just a tiny clean white
little worm, but you
know how they are about
worms. Don't take a
chance.*



**PROTECT
YOUR GOODS WITH
MIDLAND**

MILL O CIDE

The Liquid Spray for Candy Factories

MIDLAND MILL-O-CIDE will keep stocks of raw materials free from all signs of insects. It attacks egg and larvae as well as adults and kills by contact and vapor. It is a simple matter to guard the cleanliness and purity of all the ingredients that go into this delicate merchandise. Midland Mill-O-Cide is harmless to humans, will not stain or leave any odor nor evidence of its use.

Spray Midland Mill-O-Cide around packaged goods without fear. It has no effect on cellophane or other wrappings. Write for complete information and instructions to

MIDLAND CHEMICAL LABORATORIES, INC.
DUBUQUE, IOWA

The MANUFACTURING CONFECTIONER

Vol. XII

JULY, 1932

No. 7

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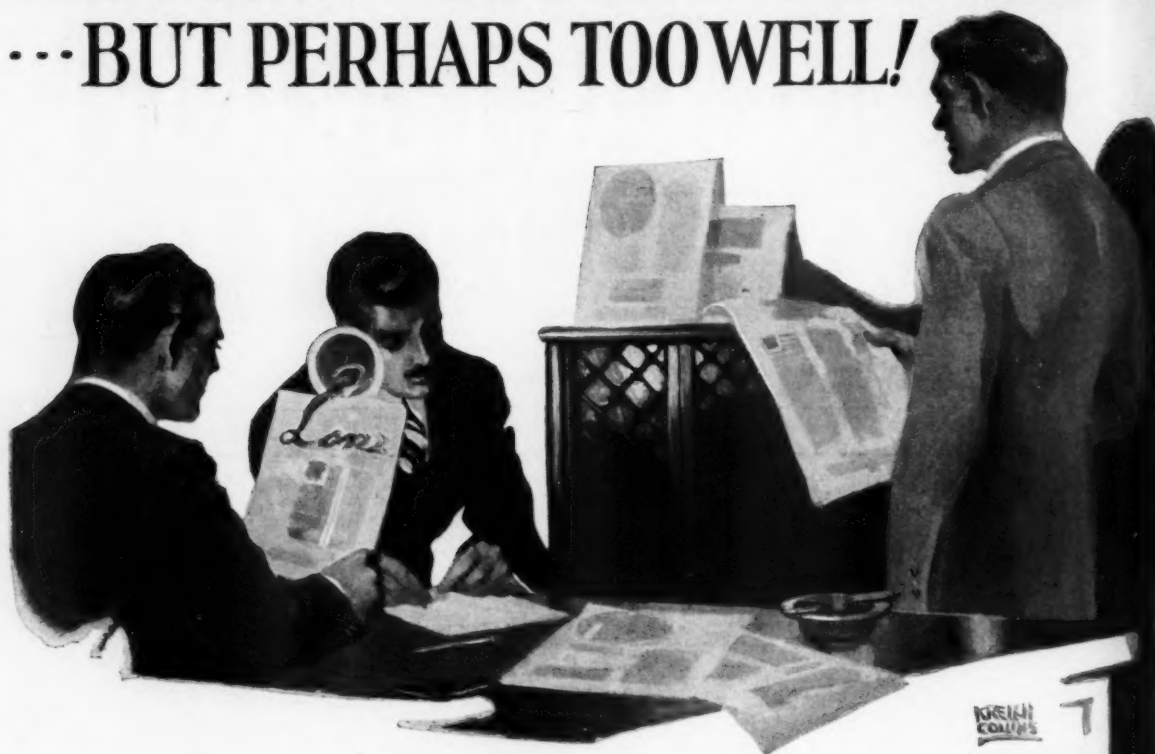
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 Published Monthly. Subscription Price, \$3.00 Annually.

The Public Will Know the Product ...BUT PERHAPS TOO WELL!



A POWERFUL advertising campaign to launch the new product. Eye-catching artwork, enticing headlines, glowing copy. A large appropriation. Every available medium put to full use. No stone left unturned to get the product off with a bang. The manufacturer had the right idea. There's no more powerful sales stimulant than appealing advertising, intelligently directed. But all the advertising in the world can't win and *bold* profitable popularity for a product that falls short, even by a shade, of full flavor appeal. And that's a factor all too often overlooked by manufacturers who are predominantly merchandisingly-minded.

To determine the correct flavor for a particular product calls for a scientific study of the complete formula. Guesswork and rule-of-thumb methods lead only to costly confusion. Here at Foote & Jenks we've been studying flavor adaptability for close to a half-century. We can determine scientifically the proper flavor to fit an individual need — the flavor that will give the product the balanced blend that a critical public palate demands.

Let Science Fit Your Flavors

There is no need for anyone to approach his flavor problem on the basis of guesswork. Thanks to the highly specialized program of this organization real progress has been made in developing a definite, scientific method of determining the correct grade and type of flavor best adapted to the individual need. The results of this progress are yours to utilize in improving the flavor appeal of your product. Submit your problem to us, and we'll make our recommendations without cost and without obligation.

FOOTE & JENKS
INCORPORATED
*Flavor Consultants and
Manufacturers since 1884*
JACKSON, MICHIGAN U.S.A.

When writing our advertisers please mention The MANUFACTURING CONFECTIONER

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The Manufacturing Confectioner's Approved Advertising of Confectioners' Machinery and Supplies

and Miscellaneous Advertising Directed to Manufacturing Confectioners

POLICY: THE MANUFACTURING CONFECTIONER is essentially a manufacturers' publication and therefore is a logical advertising medium only for confectioners' supplies and equipment. The advertising pages of THE MANUFACTURING CONFECTIONER are open only for messages regarding reputable products or propositions of which the manufacturers of confectionery and chocolate are logical buyers.

This policy **EXCLUDES** advertising directed to the distributors of confectionery, the soda fountain and ice cream trade. The advertisements in THE MANUFACTURING CONFECTIONER are presented herewith with our recommendation. The machinery equipment and supplies advertised in this magazine, to the best of our knowledge, possess merit worthy of your careful consideration.

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ESSENTIAL OILS *for* CONFECTIONERS

OIL ANISE OIL LEMON
OIL ORANGE
OIL CASSIA
OIL PEPPERMINT
OIL LIMES DISTILLED
OIL LIMES EXPRESSED

Highest Quality

Reasonably Priced

Ask Us for Samples

UNGERER & CO.
13-15 West 20th Street
NEW YORK

When writing our advertisers please mention The MANUFACTURING CONFECTIONER



Merckens Fondant Process

The Proper Warm Weather Coating—

There is a two-fold reason why you should coat with Merckens Fondant Process Coating right now—

FIRST—Merckens Fondant Process Coating sets quicker and does not soften as easily as ordinary coatings do in warm weather. This insures the fine appearance and lasting qualities of your chocolates.

SECOND—There is a delicacy of flavor that the Merckens Fondant Process brings out of cocoa—adding to the taste appeal of your candies.

Merckens Fondant Process Coating is manufactured according to a New process—and is true to Merckens Quality. Need we say more?

*Let us submit samples
without cost or obligation*

Branches

BOSTON
131 State St.

NEW YORK
25 W. Broadway

LOS ANGELES
412 W. Sixth St.

CHICAGO
Handler & Merckens, Inc.
180 West Washington St.

MERCKENS CHOCOLATE CO., Inc.
BUFFALO, N. Y.

CONSIDER^{The} ROCKET

One always goes just a little higher than the rest, adding the final touch of beauty. Yet this rocket looked like all the rest . . . but it was made absolutely perfect in weight of contents and case, balance of stick and pressure of charge.

Rockwood Pure Chocolate Coatings are all "Laboratory Controlled" to insure just the proper amount of cocoa butter; manufactured under rigid sanitary conditions, in just the right temperature, to guarantee a smooth, velvety finish; and packed and shipped to you fresh and pliable.

That is why Rockwood Coatings have that "extra something" that adds the final touch to your finest hand-rolled centers.



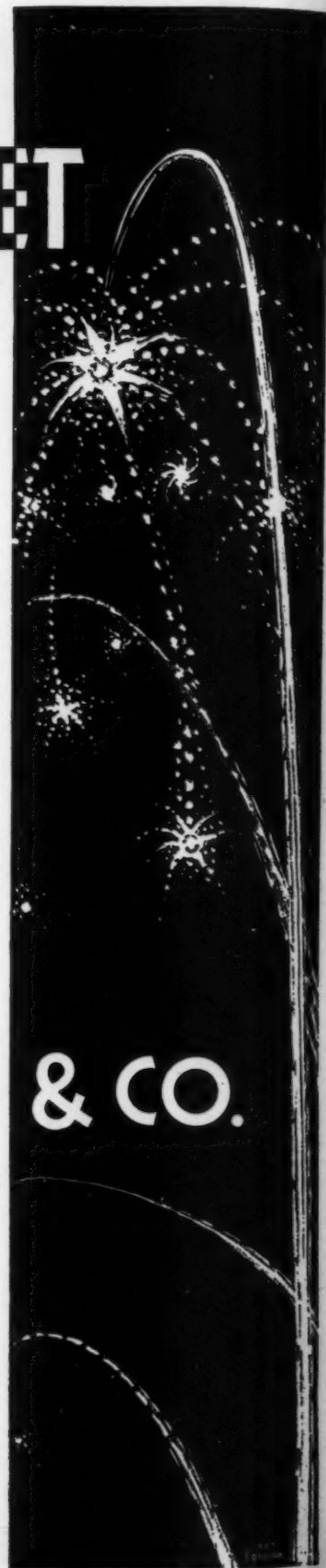
ROCKWOOD & CO.

BROOKLYN, NEW YORK

BOSTON

LOS ANGELES

CHICAGO



When writing our advertisers please mention The MANUFACTURING CONFECTIONER

WHY NOT LIVEN UP YOUR LINE WITH NEW FLAVORS



MANY confectioners cling with blind tenacity to the few familiar flavors rather than seek to impart new personalities to their products—and provide new stimulus to their sales appeal—through the use of more novel effects. The courageous few who have thus refreshed the character of their products with

unusual flavors have evoked enthusiastic customer response.

Our complete line (including also the popular fruits: Strawberry, Raspberry, Cherry, Pineapple, Peach, Grape, etc.) is at your disposal. Those whose products require specialized flavors will find our laboratories prepared to develop them.

A FEW RECOMMENDED FRUITS

Apple
Apricot
Blackberry
Currant
Gooseberry
Loganberry
Pear
Plum
Quince
Tangerine

SOME FLORAL SUGGESTIONS

Carnation
Heliotrope
Honeysuckle
Jasmine
Lilac
Lily
Orange Flowers
Rose
Violet

A FEW DELICIOUS SPECIALTIES

Black Walnut
Butter
Butterscotch
Cachou
Cocoanut
Custard
Egg Nogg
Ginger Ale
Honey
Malt
Maple
Maple Walnut
Roman Punch
Pistache
Root Beer
Rum
Rum and Butter
Sherbet
Tutti Frutti

Write us your problems and your needs.
We will submit suggestions and samples.

FRITZSCHE BROTHERS, INC.

A FLAVOR FOR EVERY PURPOSE

Fritzsche Brothers of Canada, Ltd. 78-84 BEEKMAN ST.
77-79 Jarvis St., Toronto NEW YORK

118 WEST OHIO ST.
CHICAGO

When writing our advertisers please mention The MANUFACTURING CONFECTIONER

Men and Women of America: RECONSTRUCTION Is in YOUR HANDS!



You have studied "depression" charts.

You have heard "depression" speeches.

You have read "depression" articles.

You have dreamed "depression" nightmares.

If you are ready now to forget "depression" and give a thought to faith, common sense and reconstruction, come with us through this page.

★ First, some figures—

By the end of 1930 the national wealth of America had reached the astounding sum of one hundred and ninety *billions*—one hundred and thirty-four *billions* more than in 1914 an increase of 71%.

In our savings banks and trust companies we have stored up more than twenty-nine *billions*.

In safe-deposit boxes, in private hiding-places of all kinds, we have a billion or two more.

We have, ready for use, more than nine and a quarter million bales of cotton, valued at about three hundred millions; and four hundred and twenty-nine million bushels of wheat valued at more than two hundred and fifty-seven millions.

We possess uncounted millions of feet of unused lumber, tons of unused coal and wool and steel.

What do these stupendous figures mean?

That America has more resources than the next six nations—and can stand on its own economic feet.

That, if these resources are put to work, instead of being allowed to lie idle, America will rapidly approach a normal condition and benefit all the other nations of the world by showing a way out.

*The Re-Employment Drive
Is On, Too!*

In nearly 11,000 cities and towns, local civic bodies, the labor organizations, employers in industry and commerce, and the American Legion, have joined together to put men and women back to work immediately. They are succeeding—by adding work, by making work, by spreading work. Already, community after community has reported employment increases. Each new employee means a new purchaser for more products of more workers. That's the circle which leads to prosperity. Go to your local organized headquarters and ask what *you* can do to help.

*Let's put this wealth
to work — NOW!*

We're going to put this wealth to work—we're going to do the sort of thing we did in 1921. Back there, three years after the war, when the country was in the depths of economic despair, the War Finance Corporation helped lead us into the light of an unprecedented period of prosperity.

"We steadied the situation," said Eugene Meyer in the reconstruction year of 1922, "by taking over the slower loans that were good, removing the necessity for forced liquidation and putting the banks in position to carry their customers for a longer period and to make new loans where adequate security could be obtained. *But our loans have done more than this—they have provided that element which is so necessary in all businesses—the element of confidence.*"

The Reconstruction Finance Corporation, of which Mr. Meyer is Chairman and General Charles G. Dawes is President, has been empowered to use a vast fund of two billions of dollars to relieve credit stringency, to strengthen the sinews of business and to restore faith.

Let's get behind it and push!

THE NATIONAL PUBLISHERS' ASSOCIATION

*"As the most nearly self-contained nation, we have within
our own boundaries the elemental factors for recovery."*

(From the Recommendation of the Committee on Unemployment Plans and Suggestions of the President's Organization on Unemployment Relief)

When writing our advertisers please mention The MANUFACTURING CONFECTIONER



CITRIC ACID U.S.P.

"MADE FROM AMERICAN LEMONS"

By Exchange Lemon Products Co., Corona, Calif.

CRYSTALS • GRANULAR
• POWDERED •

IMMEDIATE SHIPMENT IN
KEGS • BARRELS • CARLOADS



Distributed East of the Rockies by

Mellinckrodt

CHEMICAL WORKS
St. Louis, Missouri

DODGE & OLCOTT COMPANY
180 Varick Street
New York City

J. T. BAKER CHEMICAL COMPANY
Phillipsburg, New Jersey



Pacific Coast Served by

PRODUCTS DEPARTMENT
CALIFORNIA FRUIT GROWERS EXCHANGE
Ontario, California

OPPORTUNEB

for FAL

PARK & S

541 W. 43rd Street . .

Have discontinued their candy . . .
been fortunate in purchas

FOR SALE

CHOCOLATE DEPARTMENT

- 4—24" latest type, National Equipment Enrobers, motor driven, anti-tailers, feeding and delivery systems, bottoming attachments and detailers.
- 5—2000 lb. capacity National Chocolate Melters.
- 3—1000 lb. capacity National Chocolate Kettles.
- 2—500 lb. capacity National Chocolate Kettles.
- 2—300 lb. capacity National Chocolate Kettles.
- 1—Walters Basket Machine.
- 4—2-pot Chocolate Dipping Tables (marble top).
- 1—Forgrove Foil Wrapping Machines, with motors.
- 4—Smith Scales.
- 3—Motor Driven Conveyors for packaging goods.
- 3—Motor Driven Conveyors for transferring centers from moulding department to Enrobers.
- 1—Weightograph Machine with conveyor.
- Factory Stools and Packing Tables.

CARAMEL AND NOUGAT MACHINERY

- 1—50 gal. double action, Mixing, three speed tilting jacketed kettle.
- 3—50 gal. single action, Mixing, tilting jacketed kettles.
- 1—Caramel Cutter and Wrapper, 13/16" x 13/16" x 3/8" to 3/4".
- 3—White Caramel Cutters.
- 1—Mills Two Way Automatic Caramel Cutter.
- 2—Mills Reversible Sizing Machines.
- 1—National Equipment Automatic Nougat Cutter.
- 1—Racine Nougat Cutter.

MOULDING MACHINERY

- 1—Steel Mogul Machines, fully automatic.
- 5—Steel Mogul Pumps, 10 to 80 outlets.
- 1—Wood Mogul, Type A.
- 6—Wood Mogul Pumps, 10 to 80 outlets.
- 1—Complete Carrier Portable Hot Room.
- 5,000 standard starch trays with starch, size 14 1/2" x 32", outside measurements.
- 70—Plaster and Aluminum mould boards.
- 2—Marrow Cut Roll Machines.
- 1—Werner Two Color Combination Depositor and Automatic Printer.
- 2—Springfield No. 2 Depositors, motor driven.
- 1—Racine Depositor, motor driven.
- 1—Springfield Simplex Starch Buck, with motor.
- 2—Hand Printers.
- 6—Colseth Starch Board Trucks.
- 2—Gyrator Sifters.

CREAM DEPARTMENT

- 1—Hohberger Cream Cooler and Beater, motor driven with Kettles, daily capacity, approximately 18,000 lbs.
- 1—Werner 600 lb. Syrup Cooler with two cylinder Cream Beaters, Kettle and Pump.
- 2—7 ft. Ball Cream Beaters.
- 3—60 gal. Baum, high speed, Cream Breakers.
- 2—50 gal. Springfield E. B. Cream Remelters.

MARSHMALLOW MACHINERY

- 2—Springfield 50 gal. Marshmallow Beaters.
- 1—Savage 80 gal. Marshmallow Beater.
- 1—Hobart 3 speed Marshmallow whip, 80 qt. capacity.

WE offer for sale at sacrifice prices, for sale and removal, all the machinery, equipment, conveyors, accessories and systems, formerly used by this family company.

This plant operated until May 1st and the machinery is still up.

We invite you to inspect

Sacrifice Prior Qu

STEAM KETTLES

- 30—Steam Jacketed Kettles, with bottom-draw-offs, following sizes:
10 gal. 35 gal., 40 gal., 50 gal., 60 gal.
80 gal., 100 gal., 150 gal., 350 gal.
- Steam Jacketed Mixing Kettles:
25 to 100 gal. capacity, single and double action.

The above is only a partial list of the

LET US SHOW YOU THROUGH THIS MOST MODERNLY EQUIPPED

Write or Wire Us Co

UNION CONFECTIONERY MACHINERY CO., 3

CABLE ADDRESS

BARGAINS

SEASON

TILFORD

... New York City
chocolate factory and we have
our complete modern equipment

his ideally equipped
plant. Our representative
always on the premises
and will gladly show you
s, accessories.

may we suggest that you
write today or wire at
our expense. All offer-
ings are subject to prior
sale, and there is only a
limited quantity of each
item available.

Prior Quick Sales

CRYSTAL AND PAN DEPARTMENT

- 1-300 gal. Steam Jacketed Crystallizing Tank.
- 9-Crystallizing Tanks with screens, pans and baskets.
- 1-Tilting Crystal Frame.
- 15-Burkhard 38" Revolving Pans with and without coils.
- 18-Syrup Kettles, 10 to 25 gal. capacity.

available in the Park & Tilford Plant

REPRESENTATIVE IS ALWAYS ON THE PREMISES, AT YOUR SERVICE

Prices and Details

NEW YORK, 318-322 Lafayette St., New York City

CABLE ADDRESS

PIECE MEAL

HARD CANDY MACHINERY

- 1-Simplex Steam Vacuum Cooker.
- 1-800 lb. Burkhard Vacuum with kettle and pump.
- 2-Racine Die Pop Machines, motor driven.
- 1-Racine Duplex Automatic Sucker Machine with conveyor and blower, motor driven, latest style.
- 1-Package Machinery Sucker Wrapper Machine, adjustable, motor driven.
- 1-Hildreth size 6, double arm, Pulling Machine, motor driven.
- 1-Hohberger Continuous Cutter, with chains.
- 1-Racine Continuous Cutter.
- 2-Werner Ball Machines.
- 2-York Batch Rollers, electrically heated, motor driven.
- 4-Water-Cooled Tables, 3' x 6' and 3' x 8'.
- 1-Forgrove Hard Candy Wrapping Machine (with twist ends), motor driven.
- 1-Kiss Machine.
- 3-Mills Drop Machines with Rollers.

NUT MACHINERY

- 1-Lambert Nut Roasting Machine.
- 1-Almond Blanching Machine.
- 1-Nut Grinding Machine.

COCOA DEPARTMENT

- 2-Carver Cocoa Butter Presses, late style, with automatic filling and ejecting and metal filter pads, and high and low pressure pumps and tank.
- 1-Complete Cocoa Powdering outfit with block breaker, pulverizer, and cocoa cooler and sifter.

CHOCOLATE COATING MANUFACTURING

- 1-Bausman battery combination of four disc machines with two 500 lb. kettles.
- 2-National close coupled, pot Conges, 4000 lb. capacity each.
- 4-National Equipment Longitudinal Conges, 1600 lb. capacity.
- 3-38" National Triple Mills, motor driven.
- 2-National 5 Roll Refiners.
- 3-National 3 Roll Refiners.
- 6-2000 lb. capacity, National Chocolate Melters.
- 3-1000 lb. capacity, National Chocolate Melters.
- 2-500 lb. capacity, National Chocolate Melters.
- 1-W. & P. 100 gal. Mixing and Kneading Machine.
- 2-National Paste Moulding Machines with shaking tables.
- 1-Racine Chocolate Kiss Depositor.
- 3-Long Chocolate Cooling Conveyors.
- 1-National four roll cocoa cake breaker.
- 1-Schutz O'Neil Sugar Pulverizer.
- 3-Springfield Chasers.
- 1-Springfield Melangeur.
- 4-Burns 5 bag Gas Roasters.
- 1-Burns Cocoa Bean Cleaning Machine, complete.
- 2-National Crackers and Fanners, seven compartment.
- 1-Lehman Germ Separator.
- 1-Lehman Dust Cleaner.
- 1-Portable Chocolate Truck with motor driven pump.
- Cocoa Nib storage bins.
- Chocolate Pans and Moulds.
- Chocolate Pumps, all sizes.
- 6-Five and Ten Cent Ferguson and Haas Chocolate Bar Wrappers.

OLYMPIA DIPPING STRAWBERRIES

*New
Crop!*

Fresh from the fields of the Pacific Northwest, where the sun and rain really work together to nurture a strawberry which will literally melt in your mouth.

Blanke-Baer Olympia Dipping Strawberries, personally inspected by our special representative, this year truly represent the pick of the crop. They have a firmness which should make them just right for dipping and a flavor which should delight your trade.

Write us for full information and prices on Olympia Dipping Strawberries and other Dipping Fruits.

BLANKE-BAER EXTRACT & PRESERVING Co.
3224 South Kingshighway — — St. Louis, Missouri

CLINTON CORN SYRUP CORN STARCHES CORN SUGAR REFINED

"STRENGTH" OF CORN SYRUP

Part I

A corn syrup for confectioners' use should be of such character as to work equally well in all classes of candies. It must not only give white cream and marshmallow work, but also have a minimum effect on sucrose in high-cooked candies thru inversion. Determination of acidity or pH does not always tell the whole story.

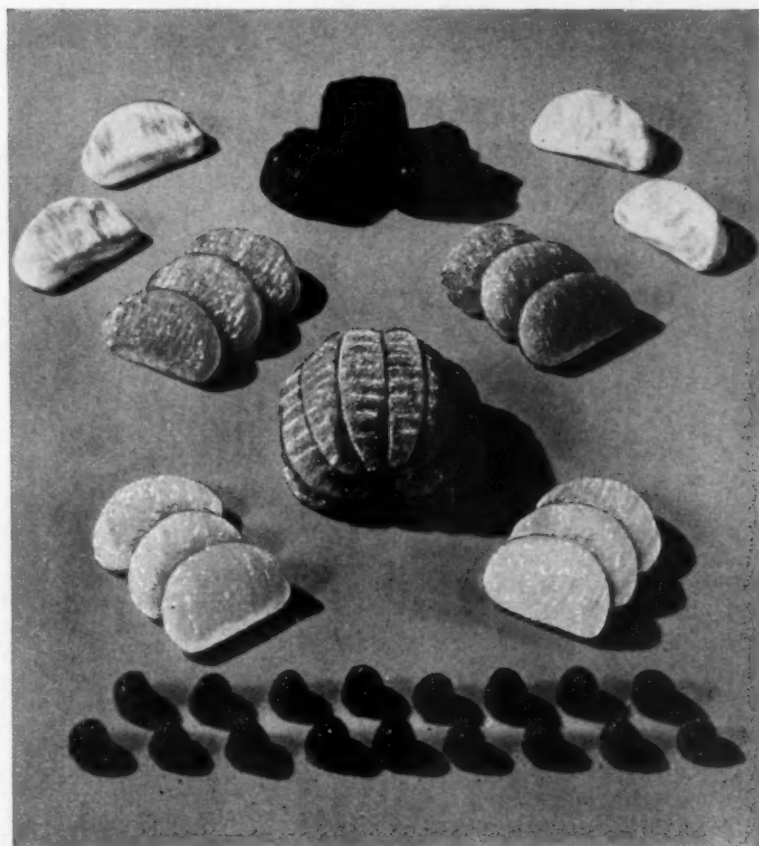
CLINTON CORN SYRUP reduces the danger of sticky candies to a minimum.

Manufactured By

CLINTON CORN SYRUP REFINING COMPANY
CLINTON, IOWA

When writing our advertisers please mention The MANUFACTURING CONFECTIONER

NOW---MAKE NEW IMPROVED PECTIN JELLY GOODS *the EXCHANGE WAY*



Tart, Tender Pectin Jellies with Fruit Flavors made the New, Easy, Convenient Way with Exchange Citrus Pectin—the New Basic Material Available to Confectioners.

Jellies made with Exchange Citrus Pectin are always tender and have long shelf life—brilliantly clear and transparent—having the permanent desirable texture and consistency that confectioners have long tried to obtain. Consider all these facts and profit by EXCHANGE service—and a dependable basic material sold direct to confectioners by 12,500 organized orange and lemon growers of California.



CITRUS PECTIN
for Confectioners

Let us send you further information and samples of the jellies shown above.

Write to
California Fruit Growers Exchange
Products Department
Ontario, California

When writing our advertisers please mention The MANUFACTURING CONFECTIONER

Announcing

CANDY BUYERS' DIRECTORY

A CONSOLIDATED MERCHANDISING

The CONFECTIONERY BUYER

CHICAGO, THE MERCHANDISE MART 303 WEST 42nd STREET, NEW YORK

AUGUST 1932

▲

CANDY BUYERS' DIRECTORY

ISSUE

• • •

A Consolidated Catalog of Confectionery and Merchandising Materials — Classified by Items and Listing Their Manufacturers Who Have National Distribution.

THE WHOLESALE BUYER'S FIRST PERMANENT BUYING GUIDE

KEEP FOR REFERENCE

Coming Out In

AUGUST 1932

As the Directory Issue of
The CONFECTIONERY BUYER

●

When writing our advertisers please mention The MANUFACTURING CONFECTIONER

TO meet the increasing demand among Wholesale Candy Buyers, Chain Store and Large Retail Buyers for a consolidated buying guide of confectionery and merchandising materials offered by manufacturers with national distribution, the industry's first "CANDY BUYERS' DIRECTORY" will be published in August as the Directory Issue of The CONFECTIONERY BUYER. It will be the only complete index of manufactured products ever compiled for the confectionery distribution outlets. . . . And it will be right in time for the fall buying season!

A SERVICE THE BUYERS WANT!

Candy buyers the nation over have declared their urgent need of a reference medium of this kind, which will place at their finger tips a classified directory cataloging merchandise and manufacturers all in one publication for desk use.

The "CANDY BUYERS' DIRECTORY" will, for instance, contain listings of all types of products purchased by wholesale buyers of confections grouped under general classifications, with names of manufacturers producing them for national distribution.

Other valuable reference data will also be included in this extended service of The CONFECTIONERY BUYER. Not only regarding sources of supply, but condensed facts which will help a candy buyer to plan and operate a wholesale or retail candy business at a profit.

July,

Here who will say about

"Such It would President Southern

"I believe There are do not know Detroit A

"The C since we President

"It shows their buy Champan

"Such knows a there are New Har

"The C wholesale the manu in...We BUYER... cover to

THE C

A NEW BUYERS' SERVICE— THE INDUSTRY'S FIRST BUYERS' DIRECTORY CATALOG OF CONFECTIONERY AND MATERIALS FOR WHOLESALE BUYERS

HERE'S WHAT THEY SAY—

Here is what a few of the 8,000 selected wholesale buyers who will receive the "CANDY BUYERS' DIRECTORY" say about it:

"Such a guide book would be of considerable value to jobbers... It would come in handy for reference quite often..."—*C. E. Morgan, President, Morgan Candy Co., Asheville, N. C., also President, Southern Wholesale Confectioners' Assn.*

"I believe this to be a very good step in the right direction... There are many jobbers in want of various candy items that they do not know where same can be purchased..."—*Lee & Cady, Detroit Mich.*

"The Candy Buyers' Directory is something we have wanted ever since we went into the candy business 10 years ago..."—*B. A. Folsom, President, Folsom Company, Inc., Daytona Beach, Fla.*

"It should help all jobbers, especially those who wish to confine their buying to the better manufacturers making advertised lines..."—*Champaign-Urbana Candy Co., Champaign, Ill.*

"Such a directory would be a fine thing. Although the writer knows a good many lines and manufacturers in the candy industry, there are many we do not know..."—*Grand Tobacco & Candy Co., New Haven, Conn.*

"The Candy Buyers' Directory would be of great assistance to the wholesale candy buyer, as it would furnish at all times, at a glance, the manufacturers of various items that they might be interested in... We are always anxious to see every issue of The CONFECTIONERY BUYER... It is one of the very few trade papers we all read from cover to cover..."—*Cherokee Rose Candy Co., Monroe, Ga.*

LISTINGS OF MANUFACTURERS

The listings of products under general classifications will be made without charge to manufacturers—such representation in the text matter cannot be bought.

On this basis we invite all manufacturers who serve the wholesale and large retail buyers over a national area to cooperate with us in the compilation of the directory listings. A questionnaire will be sent each manufacturer to obtain a list of the types of goods he produces. Obviously it will be impossible to compile this information to a degree of accuracy and completeness which the industry has a right to expect without full cooperation of all manufacturing concerns.

The CANDY BUYERS' DIRECTORY in its advertising section will complete the cycle of service by providing the manufacturers of confectionery and merchandising materials the most economical means of establishing and maintaining a permanent year 'round contact with both the potential and actual market for their products. *It will bring buyer and seller together at a moment's demand!*

This presents an advertising OPPORTUNITY for manufacturers to tie in with the buyers' guide, not only introducing their fall and winter lines, but particularly telling their own story regarding their complete line!

A well organized catalog directory for the buyers' every-day use—and containing YOUR sales story.

THE CONFECTIONERY BUYER--Merchandise Mart, Chicago

"The Only Publication Devoted Exclusively to Wholesale and Large Retail Buyers"
Division of The Manufacturing Confectioner Publishing Co.

When writing our advertisers please mention The MANUFACTURING CONFECTIONER

1932 JULY 1932						
SUN	MON	TUE	WED	THU	FRI	SAT
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

1932 AUGUST 1932						
SUN	MON	TUE	WED	THU	FRI	SAT
7	1	2	3	4	5	6
14	8	9	10	11	12	13
21	15	16	17	18	19	20
28	22	23	24	25	26	27
	29	30	31			

The CANDY MAN'S CALENDAR

JULY
7th Month
31 Days { 5 Saturdays }
Birthstone: Ruby
Birth Flower: Water Lily

AUGUST
8th Month
31 Days { 4 Saturdays }
Birth Stone: Topaz
Birth Flower: Poppy

Day of Month	Day of Week	EVENTS
1	Fr	Monthly meeting Falls Cities Confectioners' Club, Louisville, Ky.—Weekly meeting Utah Manufacturers' Association, Salt Lake City, Chamber of Commerce, Salt Lake City, Utah (each Friday at noon).
2	Sa	.....
3	S	.....
4	M	Independence Day.
5	Tu	Annual 3-day Convention, Southern Wholesale Confectioners' Association, Battery Park Hotel, Asheville, N. C.
6	W	Weekly meeting Colorado Confectioners' Association, Oxford Hotel, Denver, Colo. (each Wednesday).—Monthly meeting Retail Confectioners' Association of Philadelphia, Elks Hotel, Philadelphia, Pa.
7	Th	Monthly meeting Westchester Candy Jobbers' Association, Yonkers, N. Y.—Monthly meeting Cincinnati Candy Jobbers' Association, Grand Hotel, Cincinnati, Ohio.
8	Fr	.....
9	S	Don't fail to fumigate your plant; if you do, look out for moths in the next two months.
10	S	.....
11	M	.....
12	Tu	Annual convention National Confectionery Salesmen's Association of America, Atlantic City, N. J.—Monthly meeting Confectioners' Buying Association, Inc., Chicago, Ill.—Monthly meeting Chicago Candy Club, Hotel Sherman, Chicago, Ill.
13	W	.....
14	Th	Have you made plans for your semi-annual inventory?
15	Fr	.....
16	Sa	It's a good time for machinery inspection and overhauling. Your semi-annual house-cleaning is in order.
17	S	.....
18	M	International Management Congress opens for 1 week, Amsterdam, Holland.
19	Tu	Monthly meeting Confectionery Salesmen's Club of Philadelphia, Inc., Progress Club, Philadelphia, Pa.
20	W	.....
21	Th	Monthly meeting N. Y. Candy Club, Inc., Hotel McAlpin, N. Y. City.—Monthly meeting Utah-Idaho Zone Western Confectioners' Association, Salt Lake City, Utah.
22	Fr	A job for your sales department: Help your dealers sell more summer goods by helping them with the right kind of window displays.
23	Sa	.....
24	S	.....
25	M	.....
26	Tu	Monthly meeting Candy Square Club of N. Y., Inc., Hotel McAlpin, N. Y. City.
27	W	.....
28	Th	Monthly meeting Association of Manufacturers of Confectionery and Chocolate of State of N. Y., Hotel Pennsylvania, N. Y. City.—Confectioners of Buffalo Annual Outing at South Shore Country Club.
29	Fr	Have you made your Fall plans—Labor Day, Sweetest Day, Thanksgiving, etc.?
30	Sa	.....
31	S	Monthly meeting Pittsburgh Candy Club, Pittsburgh, Pa.

Day of Month	Day of Week	EVENTS
1	M	Monthly meeting Candy Production Club of Chicago, Chicago, Ill.
2	Tu	.....
3	W	Weekly meeting Colorado Confectioners' Assn., Oxford Hotel, Denver, Colo. (each Wednesday).—Monthly meeting Retail Confectioners' Association of Philadelphia, Elks Hotel, Philadelphia, Pa.
4	Th	Monthly meeting Cincinnati Candy Jobbers' Assn., Grand Hotel, Cincinnati, Ohio.—Monthly meeting Westchester Candy Jobbers' Assn., Yonkers, N. Y.
5	Fr	Weekly meeting Utah Manufacturers' Assn., Salt Lake City Chamber of Commerce, Salt Lake City (each Friday at noon).—Monthly meeting Falls Cities Confectioners' Club, Louisville, Ky.—Annual 3-day Convention, Southern Wholesale Confectioners' Assn., Battery Park Hotel, Asheville, N. C.
6	Sa	.....
7	S	.....
8	M	Are your moths hatching nicely? Too bad you didn't fumigate!
9	Tu	Confectioners' Buying Assn., Inc., Chicago, Ill.—Monthly meeting Chicago Candy Club, Hotel Sherman, Chicago.
10	W	.....
11	Th	Be sure to have your fall packages out by the end of this month so they'll be ready for September sales.
12	Fr	.....
13	Sa	Now's the time to start selling goods at a profit.—They've been selling long enough at cost—or less.
14	S	.....
15	M	.....
16	Tu	Monthly meeting Confectionery Salesmen's Club of Philadelphia, Inc., Progress Club, Philadelphia, Pa.
17	W	.....
18	Th	Monthly meeting Utah-Idaho Zone, Western Confectioners' Association, Salt Lake City, Utah.—Monthly meeting N. Y. Candy Club, Inc., Hotel McAlpin, N. Y. City.
19	Fr	.....
20	Sa	Get Christmas orders in early. Give the factory time to turn out goods in the right way.
21	S	.....
22	M	.....
23	Tu	Monthly meeting Candy Square Club of N. Y., Inc., Hotel McAlpin, N. Y. City.
24	W	.....
25	Th	Monthly meeting Association of Manufacturers of Confectionery and Chocolate of State of N. Y., Hotel Pennsylvania, N. Y. City.
26	Fr	.....
27	Sa	Monthly meeting Pittsburgh Candy Club, Pittsburgh, Pa.
28	S	.....
29	M	.....
30	Th	From now on, BUSINESS SHOULD BE GOOD!
31	W	.....

A wrapping machine that actually sees!

The **ELECTRIC EYE** cuts your printed Cellophane costs 10% to 25% . . .

and locates the printed design correctly on the package



The *printed* transparent wrapper—Cellophane, glassine, waxed paper, etc.—has many decided sales advantages. But its use has been greatly restricted because, until recently, no wrapping machine could correctly locate the printed design on the package. Hand-wrapping is, of course, too expensive for most products.

To meet this condition, we designed a wrapping machine with an "electric eye" (photo-electric cell). This electric eye "watches" the design on the wrapping material as it is fed from the roll, and controls the machine so that the design is accurately located on each package—as shown on the Planter's Peanut Bar above.

This improvement opens up new opportunities for many products.

Goods that are being wrapped in printed paper wrappers can now be wrapped in printed transparent wrappers instead, thus securing equally effective name display *plus* the important sales advantage of transparency.

If a plain transparent wrapper is already being used over a printed wrapper, it may be advisable to replace the double wrapping with a single printed transparent wrapper—a worth-while saving.

Important Savings over Hand Wrapping

Where printed transparent wrappers are being put on by hand, our machines effect substantial savings in labor cost. There is also a large saving in material costs—Cellophane in roll form, as used on our machines, costs 10% to 25% less than when supplied in sheets, as used for hand wrapping. In some cases the saving on material alone will pay for the machine in 6 months.

Write for information

This is only one of many types of packages which our machines produce. No matter what your particular packaging requirements may be, get in touch with us.

PACKAGE MACHINERY COMPANY

Springfield, Massachusetts

New York

Chicago

Los Angeles

London: Baker-Perkins, Ltd.



When writing our advertisers please mention The MANUFACTURING CONFECTIONER



Editorial

Lazy Days

HOT, listless days of Summer are here. They're lazy days for some—days of rest and relaxation. But, as Printers' Ink points out in its current issue, there is no reason why lazy days should cause *lazy minds*.

Indeed few of us can afford to let our minds become lazy, nor should we if we could, with so much planning to be done in advance of the inevitable upturn in sales which will arrive even before the first cool, crisp days of early Fall.

It is a temptation to fall into lazy ways—to put things off and take life too easy—these lazy days of Summer. But it's not the smartest thing to do. It only complicates the job you have failed to plan for—later on.

Take advantage of these lazy Summer days and relax physically—but not mentally; it may be the one advantage that will put you far in the lead of your competition when business starts to break. At least you'll not be trailing in the rear.

Facts and Figures

IN 1931 sales of confectionery on a value basis declined 15.4 per cent as compared with 1930. On a poundage basis sales decreased only 5.8 per cent. The average price per pound based upon manufacturers' net sales price registered a loss of \$0.022. Per capita consumption was approximately four-fifths of a pound off. These and many other interesting details are revealed in the Survey of Confectionery Distribution which has just been completed and released by the Bureau of Foreign and Domestic Commerce.

Compared with many another industry candy has maintained its position with remarkable tenacity. This fact should be an encouraging one for those candy men who can see nothing but grief in connection with their chosen business.

Some mighty interesting figures and trends are disclosed in this recent Commerce Department report. For instance, the number of firms making plain package goods has increased, while from the ranks of the fancy package goods manufacturers there have been a proportionate number

of desertions. Again, sales of chocolate bulk confectionery increased slightly during 1931, but at the same time experienced the most drastic reduction in average price per pound of any single group.

In at least three of the major classifications, confectionery manufacturers of Massachusetts received the highest average prices per pound for their products. And what is more, in two of these three groupings, Massachusetts' volume of business on a poundage basis showed slight increases in spite of its higher price level—certainly a credit to the level-headed Bay State manufacturers.

The Survey deals also with foreign exports and imports of candy. One year ago this industry was greatly agitated and deeply concerned over the sudden influx of Russian-made candies. In the first four months of 1931 the U. S. S. R. had sent nearly one and a third million pounds of candy into the United States—thirty-five times the amount exported from Russia to the U. S. in the corresponding period of the previous year. In the first four months

of 1932 her exports to this country had dropped to 165,754 pounds—no longer the menacing proportions assumed in '31.

All in all, this latest Survey of Confectionery Distribution represents a stupen-

dous job well done. Confined within its twenty odd pages the confectioner will find a birds-eye view of several very important phases of his business. It is a document well worth an evening of study.

Advertising Acclaimed

ADVERTISING—acclaimed by all in times of plenty as the sales and profit builder, but abandoned by many in the hour of their greatest need, when it should be employed further to strengthen the gains they have made, instead of expecting the business to proceed under its own momentum—advertising was emphasized at the recent N. C. A. and A. R. C. conventions as today's requisite for sales progress by two authorities well versed in the practical problems of the industry.

Ernest Wilson, well-known San Francisco manufacturing confectioner now celebrating the thirty-fifth year of the Ernest Wilson Company, in his address at the A. R. C. Convention placed significant importance upon the part advertising has played in the steady increase in his business—particularly in the past two years. His speech which appears elsewhere in this issue is an important contribution to current advertising thought in the industry. In part Mr. Wilson says:

"Three years ago when I attended the A. R. C. Convention in Washington, the subject of advertising was discussed, and several members expressed the opinion that it was profitable to spend as much as 3 per cent of sales on advertising. At the time we were spending about 1 per cent, but decided to profit by the experience of others and increase our appropriation. That one idea was worth several trips across the continent from California.

"Our advertising expenditures now average 3 per cent of our sales, and we are debating the advisability of increasing it to 4 or 5 per cent. It is one thing to have good products attractively priced, and quite another thing to sell them in times like the present. As someone has said, 'Not all advertising pays, but very few businesses pay without advertising.'"

R. L. Purdon, Asst. Chief of the Marketing Service Division, U. S. Department of Commerce, who for the past five years has had intimate contact with practically every candy manufacturer in connection with the Department's Confectionery Surveys, definitely recommended at the N. C. A. Convention more careful consideration of advertising analysis by the industry.

"It is one of my hopes for your continued success," Mr. Purdon said, "that you will try to spread the gospel of proper sales costing and more accurate sales and advertising analysis throughout the entire industry for the next year or so. For if you do this you are certain to witness marked improvement."

Both Mr. Wilson and Mr. Purdon advocate *intelligently used* advertising. Mr. Wilson says, "Not all advertising pays," and Mr. Purdon recommends "*more accurate advertising analysis.*" The MANUFACTURING CONFECTIONER and its companion publication, The CONFECTIONERY BUYER, heartily agree with the sound reasoning of these two gentlemen.

Politics

THE powerful machines of politics have chosen their standard bearers and are settling down to that titanic struggle for votes which leads ultimately to the White House. Regardless of the outcome, the fact remains that the struggle is on and that will be a good thing for the American people. We can depend upon it, both parties will give us plenty to think about besides the depression—and after

all, that may be just what we need—something else to think about.

The bigger the scrap, the better it will be for all of us, regardless of political affiliation or affection: Fundamental conditions are trying hard to right themselves; given an opportunity to develop and gain strength unhampered, with something other than the depression in the spotlight, they may succeed.

Pack-Adages

Inaugurating a new department
of lively interest for those who
make and package candy

The Importance of Candy Packaging

HERE are few industries of which it can be said that the package *actually* sells the goods. One of the few and possibly the chief example is the candy industry. Unlike food, drugs and similar packaged commodities, candy is not bought from necessity, but primarily to satisfy an innate liking for sweets or to appease a transitory hunger. The package cannot arouse a desire to buy drugs or foods of which the consumer has no immediate need, but it can arouse the desire to buy candy whether the consumer had premeditated buying it or not. Hence, the function of candy packaging is primarily twofold: to convey the impression that candy is healthful food and to arouse the desire for sweets. Since both of these functions are closely related to the psychology of taste, the candy package should always be an outstanding example of packaging art. Unfortunately, most of the candy packaging of the present day may be classified as nondescript. And this really is paying a compliment to some of it. Basically, the candy package must have the highest degree of attention value. This is especially true of bar goods packaging but it does not mean that the package should be "loud" or gaudy. Quite the reverse as a matter of fact. The candy package must attract the roving eye, and having attracted it, must make an irresistible appeal to the sense of taste. The several ways in which this may be accomplished will be the subject of these notes.

The Package Concept

First of all the package should have a basic concept from which the design may take its motif. The three basic conceptions are:

That the package must suggest the product.



By FRANCIS CHILSON
Packaging Engineer

That the package must suggest the *USE* of the product.
That the package must be artistic without reference to the product at all.

Many designers insist that the package *must always connote* its contents. In various ways this dogma was discussed and reiterated at both of the Packaging Conferences, and it has supplied the theme for much of the literature on the subject. With this dogma we do not agree at all. We firmly believe that the widespread application of this theory has already wrought much damage in creating a stultifying uniformity in certain classes of packaging. The trade has had an historical example of this uniformity in the packaging of plain and almond chocolate bars. Fortunately, this tradition is being abandoned. The packaging of coffee provides an outstanding example of uniformity. Yuban started the movement with its distinguished brown and buff package, suggesting coffee with and without cream. Being the innovator of the trend in this field, this package remained for a long time both unique and pleasing. Other coffees since have rapidly adopted brown and buff, bringing about a uniformity which is bad for all coffee packaging. Recently a test conducted by New York University resulted in an overwhelming preference for *red* coffee packages! This shows the deleterious effect of

slavishly following a dogma of package design, and, likewise the danger of blindly emulating the packaging of a leading brand. The fallacy of suggesting the product by means of color only lies in the fact that so few people possess the interpretative ability to correlate the color of the product and the color of the package. This is emphasized when two different products are of the same color. Obviously, it is difficult to see how an individual color can suggest one product at one moment and an entirely different product at another time.

Notwithstanding its shortcomings, product suggestiveness is highly important in candy packaging, especially when color, visibility, pictorial devices, shape of the package and the name of the product are properly correlated.

The second concept, that of suggesting the *use* of the product is less easy to achieve in candy packaging than it is in the packaging of other products such as insecticides, pharmaceuticals, and so on. But it can be done, and usually is done through the employment of a pictorial device and a suggestive name. Sportsman's Chocolate Bracer is a good example of this type of packaging. The wrapper of this bar has incorporated in its design a series of illustrations typical of sport—a tennis player in action, a hunter, a baseball player, etc. These and the name of the product suggest the benefits of eating it.

Our personal preferences lean very definitely toward the third concept, that of striving for artistry in design. This has been our motive in designing CHOCOBAR shown herewith. As in everything else we respond to harmony in design. We may not know why the well designed package appeals to us, but the fact is that harmony appeals to people of every degree of refinement and of

every age. The well designed package attracts attention *because* of its beauty. We may employ subdued colors and unassuming lines and by means of this very restraint the package will embody the highest degree of attention value. This is emphatically true of candy packaging at the moment because it is so uniformly inferior that the well designed package must claim attention through contrast alone. Until candy packaging reaches a high degree of refinement, we shall not have to worry much about attention value. After that we may have to emphasize colors or lines somewhat to secure distinction.

The Bar Market

A new chocolate package, which has made its debut on the stands is designed in a fashion indicative of the manufacturer's belief that the bar market is a children's market. The bar is designed to appeal to children between the ages of eight and twelve. It is our firm belief that no greater mistake could be made. Observation has led to the conclusion that the bar market is an adult market appealing to youths from fifteen to twenty-five. It is true of course that a boy of fifteen is still a child. But he doesn't think so and will resent the inference in the design of products intended for his consumption. He responds quickly to that which is seemingly addressed to adults and takes great pride in his maturity. For this reason we believe that childish devices should be omitted from the design of bar goods. We venture the prediction that the bar in question will not gain the popularity its quality deserves.

The Next Packaging Conference

Tentative advices from the American Management Association indicate that the next conference will be held either in New York or in Philadelphia. It will be devoted to packaging and shipping exclusively; more time than formerly will be given to these subjects. All of which augurs well for the success of future conferences and is indicative of their growing importance. Suppliers

of packaging materials and manufacturers in the trade should co-operate in every way possible with the A.M.A.

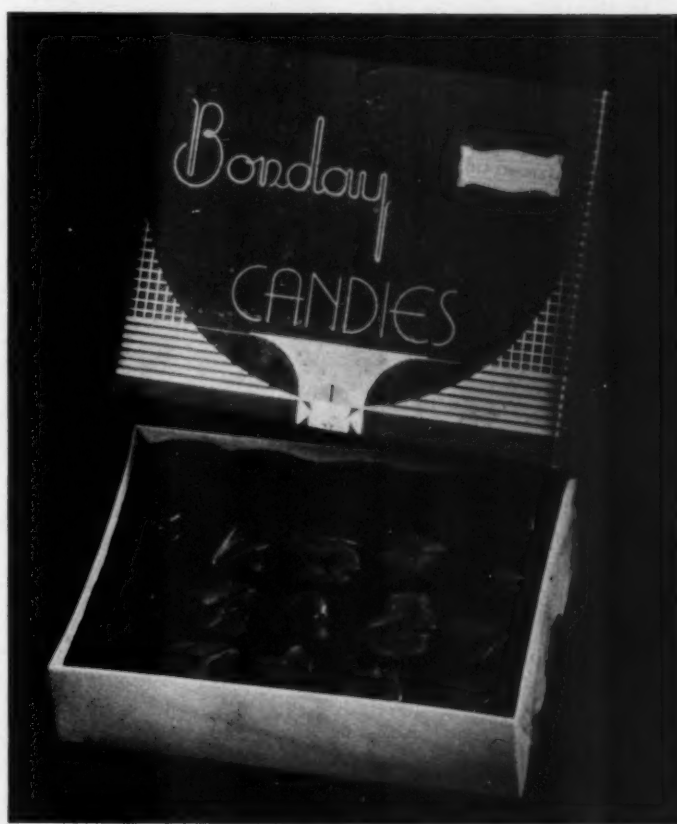
Suggestions for New Goods

Macaroons made with almond and kernel paste and coconut are so pleasing to the taste and so chewy without being tough, that we have often wondered why they aren't used for bar centers. Presumably, the reason lies in some technical difficulty. If so we'd like to know about it.

Since the bakers are invading the candy field with new products that are more in the nature of confectionery than bakery goods, we feel that candy manufacturers should reciprocate. Why isn't the bake shop an excellent place to sell candy of

all kinds, box goods and after dinner mints especially?

We feel that the trade has been remiss in concentrating on products intended to appeal only to those who like sweets. What of the vast body of people—especially those of mature years and the vast number of drinkers of all ages—to whom sweets do not appeal? Since the confectionery market is organized and controlled by candy purveyors, why don't they market a sour or a tangy product which is not confectionery at all? Something of the nature of an *hors d'oeuvres* for instance. For our own benefit as well as that of our friends we once made a concoction of anchovies, snappy cheese, and olives, which we compressed into small cubes and distributed. They made an instantaneous hit because of their sourish-



The Bonday package described elsewhere in this article. Though moderately priced, this package is well equipped to compete with many a more expensive package. It's all in the design—the work of a skilled artist.

PACK-ADAGES

salty-tangy flavor, which was appetizing and which left a very pleasant after-taste in the mouth. Something of this kind might be put on the stands with assurance of success. At all events the increasing number of bittersweet chocolates on the market, and the current advertising emphasis on candies which are not too sweet and which do not leave a cloying after taste in the mouth, seem to indicate that there is a large public which would respond to non-sweets.

Packaging Box Goods

We have noticed a tendency in the design of boxes which permits the removal of the cover so that the contents can be exhibited, the goods being protected by a sheet of plain transparent wrapping material. Hence, the prospective consumer gets an excellent view of the goods, but unfortunately, the package is not always self identifying, that is, there is no way of learning the manufacturer's name at the first glance.

In view of the fact that box goods are always associated with the name of the maker and in view of the additional fact that such goods invariably are supported by advertising, it seems to us that the omission of the maker's name is a very serious fault. The maker's name should not be divorced from the goods; the design of the box, whether it is to be displayed open or closed, should always provide for the display of the manufacturer's name in a very prominent position. "Assorted chocolates" means very little to the public. But *Schrafft's*, or *Whitman's* or *Hahn's* assorted chocolates mean a great deal. Unlike bar goods, box goods are not bought in a casual fashion. Purchases are usually made with the name of the manufacturer as a guide. Whenever a well known name is seen it means something tangible. It suggests the individual character of the goods. *The customer doesn't recognize the goods; she recognizes the name only.* Hence, the box designed for open display should

prominently exhibit the manufacturer's name so that it can be seen from a distance of several feet. This can be accomplished simply by printing the name on the transparent protector.

New Packages

It was rather a shock to discover in the A & P (of all places!) Bon-day Candies, one of the best designed candy boxes we have seen recently, and it was being sold at twenty-three cents a pound! The background is green with design in silver and black and with lettering of black and silver and white. Here again the hand of the artist is evident. No printer designed this job. The box is much superior in design to the majority of candy boxes selling for five times as much. It teaches a valuable lesson in economics, namely: regardless of the price at which the package is to be sold you can afford to retain a competent artist to make the design. The artist's fee even though it may seem large at the moment is comparatively insignificant when spread over a multitude of packages. And if the design aids materially in increasing sales—as all good designs do—then the artist's retainer is an investment certainly worth making. Poor goods in a well designed package will invariably out-sell for a long time excellent goods in a poorly designed package.

Natural Air Cooled Container

THE latest innovation in candy packaging is an air-cooled container brought out recently by the Cynthia Sweets Company of Boston. The regulation pound package of Cynthia Sweets is placed in an oversize cardboard container and ingeniously suspended within it by means of a cardboard "cradle" as shown in the illustration accompanying this article. In this way the package is completely surrounded by air. The triangular vents in the outer container, indicated by arrows, permit free circulation of the air. By retarding heat penetration the resulting effect is prolonged shelf-life for the chocolates.



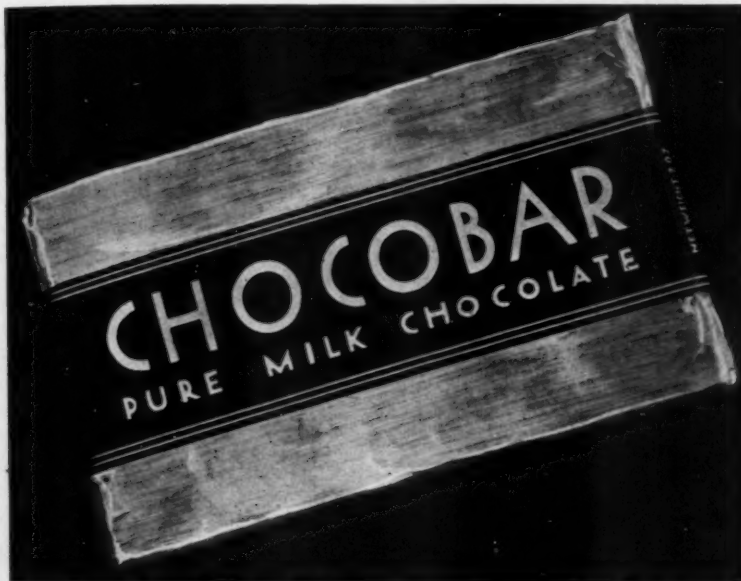
A new, patented, air-cooled container used by Cynthia Sweets Company to keep their chocolates in first-class condition despite summer heat.

In addition to its advantages in protecting the candies against heat, the outer container gives an appearance of "bigness" that cannot fail to have a favorable influence upon the package's sales appeal.

Please remember to send your new packages to this department for illustration and comment.

The Package Clinic

In this department of PACKADAGES we are going to discuss each month packages which are sent in for criticism and suggestions. We shall take each package, analyze it carefully and will prepare a rough



In designing the chocolate bar illustrated above and described in the accompanying article, we endeavored to create a package possessing great intrinsic attention value. Simplicity of design and pleasing proportions play no small part in accomplishing this effect. Unfortunately, the reproduction fails to reveal the true beauty of this silver and black color scheme. In the upper right we see this bar among some of its hypothetical "competitors."

suggestion for new and more effective design. There will be no charge for package diagnoses that are published in this department. Nor shall we accept any responsibility for adverse criticisms that we may have to make. If you think very highly of your package, if you are secretly convinced that it cannot be improved, please don't send it in. This department will be successful

only if we have the full co-operation and friendship of the trade. We shall try to advance the standard of candy packaging but we can't do it without your help.

This month we decided to comment on the status of the chocolate bar including milk, vanilla, bitter-sweet, and flavored chocolate and also almond bars. This group was selected because of its tendency to

follow the traditional chocolate colored wrapper and also because of its tendency to adhere to traditional shapes. Signs of improvement are evident in the stimulating effect of the Suchard and the Nestle packaging. Both of these companies have abandoned traditional colors and Nestle has broken away from traditional shapes. These we believe to be very good signs of a trend which is bound to gain momentum as the importance of individualistic packaging becomes more generally appreciated. One might assume that a tradition once broken would be abandoned forever, but in the case of chocolate bars this is not so. Loft, for instance, made an effort to combine the modern trend with the traditional color of the chocolate package. By the introduction of brighter colors and the employment of modernistic lettering, this package has endeavored to span two eras. Huyler, on the other hand, followed established tradition in the design of its new vanilla chocolate bar, with the exception of a device depicting a running boy. This adds a bright spot to a package which would otherwise be little different from many others.

Our reaction to most chocolate bars was that much of the beauty

(Continued on page 56)

What the Canadian Association Is Doing

By W. E. MCMURTRY

Secretary and Manager

Canadian Biscuit and Chocolate Industries of Canada

IN presenting the annual Secretary-Manager's report of the activities of your Association during the past year, it is rather difficult to put down in black and white or even summarize, in the short time at our disposal, our daily task, which consists mainly in squaring away misunderstandings amongst our members, and in keeping them informed of the fundamental principles of our various co-operative efforts.

Exceptional Activity

On account of the existing general conditions of trade and the ever increasing changes in taxation problems, the past year has been one of exceptional activity in our office, and has demonstrated conclusively the great value of our Association. Since our last convention we have had two budgets brought down by the Government and both have had a very upsetting effect on our industry. On account of so many products of our manufacturers being made to sell at a price to the consumer, to suit the coinage of the country, the terrific sales resistance to any interference in the spread of profit from manufacturer to consumer and the intense competition of the day, the Sales Tax which was intended by the Government to be passed on to the consumer, immediately becomes, to a great extent, a Profit Tax. This puts a burden on our industry it is in no condition to bear at the present time.

The Sales Tax

We made representations to the Government prior to the bringing down of the budget, pointing out our difficulties and urging them to give consideration to making it compulsory to add the Sales Tax as a sep-

THE accompanying report of Mr. W. E. McMurtry, Secretary-Manager of the Confectionery, Biscuit and Chocolate Industries of Canada, will be interesting to those of our readers who are not altogether familiar with the work of our Northern neighbors' Association.

arate item to each and every invoice, and also to exempting all lines selling to the consumer at five cents or less. Our efforts were apparently unsuccessful as nothing has been done.

Membership

Our membership today is 33 active members and 35 associate members, which is approximately the same as last year. At the present time we have many firms not members of our Association, evincing a keen interest in our work and co-operating with us. They are beginning to realize that there is everything to be gained by cooperation, and we confidently expect to add many of these firms to our membership in the near future. It may just require some personal touch of one of our members to bring any one of these firms into our membership.

Working With Ottawa

Our office is always in close touch

with the various departments at Ottawa that have control over regulations affecting our industries, and have always found them very willing and anxious to help us straighten out any difficulties we put before them. Last year we were successful in getting redress on the impost of a 90c per pound price for duty on Dried Flaked Egg Albumen, which regulation made it practically prohibitive to import, and as this product was not manufactured in Canada, would have worked a very great hardship on our manufacturers in producing certain of their lines.

The Economic Conference

At the present time the British Empire Economic Conference to be held at Ottawa in July, is a live issue and briefs are being prepared with the view of placing the position of our industry squarely before the Canadian representatives at the Conference, which will enable them to plead our case so that we will not be called upon to make a sacrifice which the industry cannot afford in the interest of Imperial Trade.

Many Meetings

It is an encouraging sign of the increasing interest in our Association work that the many meetings of the past year have been so well attended, and that attendance means a great sacrifice in time and expense. During the past year we held six executive meetings, eleven sales managers' meetings, and twelve group meetings, which gives you some idea of the work that has been done. Your secretary has also attended many meetings of groups working with our Association. These frequent meetings have proved of great value, creating a better understanding amongst the different groups of the trade.



Other Activities

Our office is from time to time having their attention called to various happenings which affect the industry as a whole, such as adverse publicity regarding candy; unfair claims made on individual manufacturers; foreign goods appearing on our market that do not conform to government regulations, etc., and might say that these matters are always promptly dealt with.

The compilation of the official jobbers' list is one of our cares and worries, and a great deal of time and attention is taken up with this important work.

Executive Changes

During the past year we miss in our councils two executive heads who were always of great assistance to us, and were vitally interested in our work, in the persons of Mr. F. H. Kortright of the Willard Company, and Mr. H. V. Hansen of the Canada Biscuit Company. Both of these gentlemen have transferred their interest to concerns in other industries. Their places have been taken by Mr. Frank McCormick, who is by no means a newcomer amongst us, and by Mr. C. E. Spooner, who is in charge of the Willard Company. We welcome them to our executive.

We keep in our office a registration of all trade names and our members are constantly getting information from us in regard to registered trade names. It is to the interest of all our members to register their trade names with us and make use of this service.

The Journal

The Journal still occupies an important place in the industry, and we think, in the capable hands of Mr. Reeves, is doing good work. Mr. Reeves has a report to present, giving you a brief outline of the Journal's progress during the year.

It is with sincere regret that we read of the death of Mr. J. A. Phin, long connected with Canadian Chewing Gum Company, and one of the men we always looked forward to meeting at our annual gathering, and am sure our sympathy goes out to the family.

Some Headliners

In Other Publications

A Digest of Articles on Advertising, Distribution, Selling and Other Subjects of Interest to Confectionery Manufacturers.

Wastes in Selling

THOSE who complain of the wastes in advertising should remember that greater wastes exist in all other forms of selling. Personal selling is notoriously inadequate and inefficient, under the best conditions and under the worst is extremely costly.

In many cases these wastes are due to the fact that the slow, expensive and laborious efforts of salesmen are used for jobs for the accomplishment of which advertising, at much lower unit cost, is far better suited. . . .

Instead of being wasteful, advertising should be the least expensive form of selling available to manufacturers. Some of it is wasteful, of course, because poorly planned or improperly placed. But the faults of the advertiser in using advertising should not be charged to the method, which essentially increases efficiency in just the same way as other mechanical methods have increased efficiency in practically all lines of human endeavor.—*Advertising Age*, June 11.

Prontograms

Great bargains in advertising agents may be no bargains at all.

* * *

Fear not the huge competitor overmuch; he, too, has fleas.

* * *

He that falls in love with his own advertising need fear no rivals.

* * *

He who stops advertising in hard times feeds his salesmen their best alibi.—*Advertising & Selling*.

Why We Advertise in Bad Times as Well as Good

NO depression period should be permitted to slow down the momentum of increasing good-will generated by consistent advertising that deals with simple facts.

We have increased our advertising every year in spite of whatever business depressions we have had in the past twenty-eight years. Even in years when the profits have been much less than normal, the appropriation for the next year has increased steadily just the same.

We believe in advertising in good times or bad. Our appropriation for 1932 exceeds the sum appropriated for 1931.

Money which we invest in paid space is partly sales help for immediate work, partly additional good-will, and partly assurance for the future.

Advertising is one of the best forms of contact with the trade and the public. We much prefer to spend money on promotion than to offer any kind of cut price or special inducement to the trade, because we believe that advertising is more valuable to the trade than special deals can ever be.—H. Earle Kimball, President, Clicquot Club (Ginger Ale) Company, in *Printer's Ink*, June 30.

Put Your Money on Advertising

"THE most favorable time in years for buying advertising. The way to attract attention is to shout when everybody else is still.

"The way to attract attention is to advertise when everybody else is out. You get more and better real circulation for your money. You get better position, of course. But, most of all, you get keener quality of appreciation. You rally around you the admiration and support of those who like to see a man pounding away at his business regardless of how scared others may be."

The man who said this is my friend, R. M. Ellis of the Philip Morris Company, who is advertising a *twenty-cent* cigarette—a *twenty-cent* cigarette, mind you—in this cut-rate, cut-throat market. And here's what a publisher wrote about Mr. Ellis's advertising in the magazines and newspapers:

"The interesting thing about Marlboros is their absolute disregard for what all other cigarettes are doing. The industry as a whole is off the first quarter about 13%—Marlboros are up 15!"

Maybe you think Marlboro is a special case—just a flash in the pan. Then consider this: One of the oldest stores in America used 12 pages of advertising in one issue of a newspaper the other day. Its sales next day were \$250,000 as against \$56,000 for the same day last year. The Plymouth automobile with 1932 model advertising sends its April shipments to dealers up 396% over April of last year. The E. R. Squibb Company has just announced a 5% increase in profits largely from advertising when competitors were cutting.—Kenneth M. Goode, in *Advertising & Selling*, May 26.

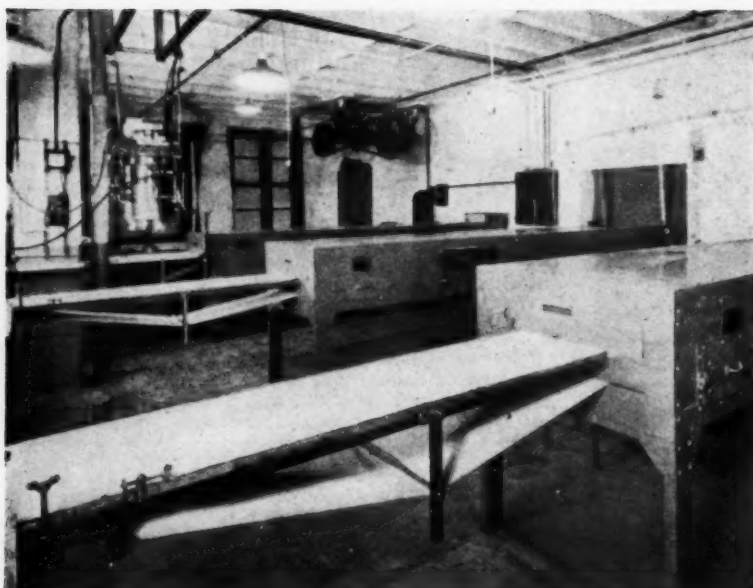


Fig. 1—Feed ends of chocolate cooling conveyors showing hand stringing section, enclosed belt return.

Air Conditioning and Refrigeration for the Small and Medium Sized Candy Manufacturer

Part 4

By R. G. HUTCHINSON, 3rd
Consulting Air Conditioning Engineer

THE cooling conveyor is the important link between the machine coating room and the packing room. Many types of cooling conveyors are used. They may be divided generally into two classes. In the first class the air cooling element is located inside of the tunnel. In the second type the air is cooled outside of the tunnel and is brought to the conveyor and is returned to the air cooler by ducts. When air is passed over a surface which is colder than the dew point temperature of the air, condensation

of some of the moisture in the air takes place on the cold surface. If the cooling element is located directly in the tunnel, trouble from moisture and an unsanitary condition may occur. For this reason experience has shown that the second class of cooler is usually preferable to the first.

In addition to the circulation of cold air through the tunnel, some manufacturers provide a source of cooling below the conveyor belt. This cooling is usually accomplished by the placing of cooling coils, brine tanks or cold air ducts against the

lower side of the belt bed plates. If the heat absorbing capacity of the air in the tunnel is not sufficient to properly cool the goods at a given belt speed and within a given distance of travel and to remove the heat which has been conducted from the bottoms of the goods to the belt, this additional source of cooling will prove advantageous. However, the circulation of air only through the tunnel is producing entirely satisfactory results in conveyors which are correctly designed as to air volume, distribution and temperature within the tunnel. If cold air is sup-

plied at one end of the tunnel and is exhausted from the opposite end, the air flow should be opposed to the direction of belt travel.

Eliminating Leakage

The housing of the cooling conveyor should be well insulated to insure the maintenance of a uniform temperature in the tunnel. Balancing of the air circulation and accurate fitting of the insulated panels and end gates or doors will eliminate undue leakage from or into the tunnel. Leakage of air from the conveyor at the feed end is extremely undesirable if the end of the wire belt of the coating machine is close

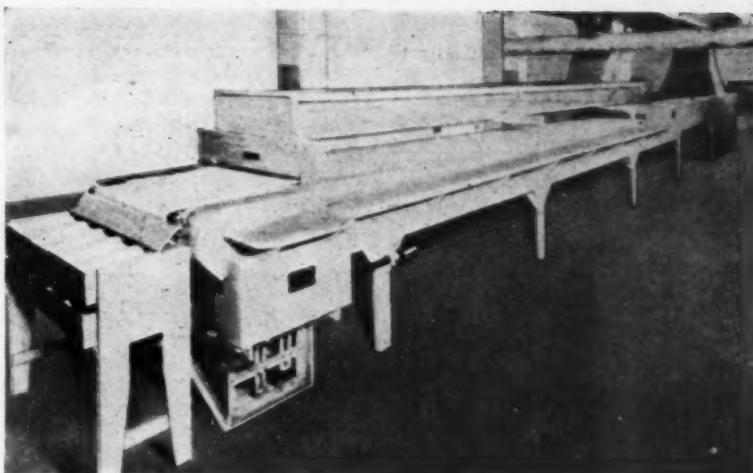


Fig. 2 (above)—Convertible chocolate cooling conveyor with packing section open for run of package goods.

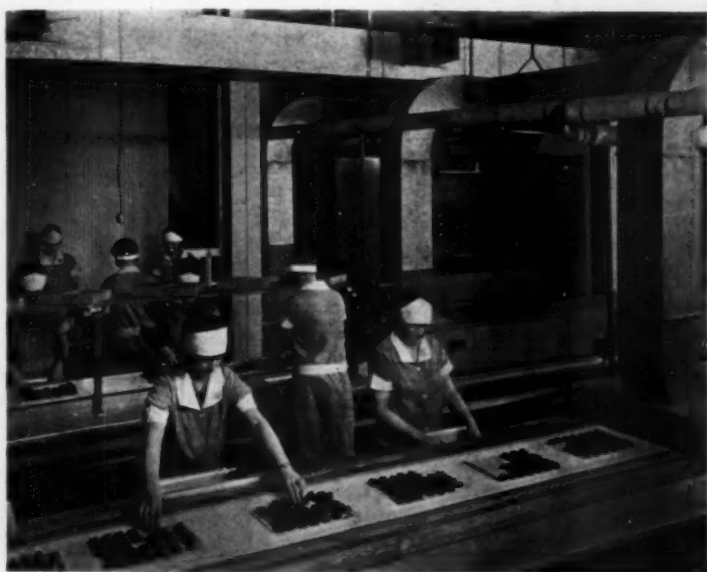


Fig. 3—Cooling conveyors and air conditioner which cools both tunnels and packing room.

to the tunnel housing. The cold air will chill the wire and cause bottom marks on the goods. Inleak of warm unconditioned air is equally as undesirable as there is danger of condensation of moisture when that air becomes cooled in the tunnel. If a material amount of air escapes at the delivery end of the conveyor along the packing section, the work of the packers near the end of the housing will be greatly hampered. In one instance the leakage at that point was so serious, due to the improper balancing of the circulation, that the packers were forced to stop

work at frequent intervals to warm their hands. This condition, of course, was entirely unnecessary and was easily remedied by the regulation of the air dampers.

The belt return always should be enclosed if the cooling conveyor is to be located in unconditioned space. Otherwise, the belt which is cooled in its travel through the tunnel will condense moisture on its surface when exposed to warm air with a high moisture content. The moisture will in turn be deposited on the bottoms of the coated pieces causing "graying." It is advisable to

have the side and top enclosing panels of the conveyor readily removable in order to facilitate belt repair and cleaning of the tunnel.

Fig. 1 is a view of the feed ends of a battery of cooling conveyors. In this installation a "stringing" section is provided before the cooling tunnel for the hand stringing of machine coated goods. Note that the belt returns of these conveyors are enclosed.

Fig. 2 shows the packing end of a convertible conveyor. In the illustration the packing section is open for use with package goods. The cooling section is of standard length for this class of work. If bulk goods are to be run, the packing section may be enclosed by the top and side panels which are shown folded up and back in the illustration. The packing section then becomes an additional cooling section and the belt speed and the conveyor output may be greatly increased.

Fig. 3 illustrates a run of plaque work on cooling conveyors. These tunnels are used also for regular machine coated goods.

Air supplied to the cooling tunnel is usually at about 48 degrees Fahrenheit. The temperature of the centers when coated is 76 degrees and the average coating temperature is 89 degrees. A minimum cooling time of three minutes in the tunnel is required to cool the centers of 72 de-

AIR CONDITIONING AND REFRIGERATION

greases and the coating to 70 degrees. A sufficient amount of air to affect this cooling must be circulated. The usual rise in air temperature between delivery to and exhaust from the tunnel is six to seven degrees. Air supply for the cooling tunnel may be taken from the conditioner of the packing room if a central station

tive humidity of 50 per cent. Temperatures lower than 63 degrees will tend to congeal the chocolate while being worked by the dippers. Higher temperatures cause perspiration on the hands of the dippers. This condition will result in spotted coating of the goods when the moisture becomes mixed with the chocolate.

the cooling and packing of hand dipped goods. The open loading section is located in a position convenient for the transfer of plaques from the dipping tables to the conveyor belt. The general design and operation of the cooling and packing sections is identical to that of the machine coated goods conveyor. A duct hung longitudinally above the loading section and discharging cold air downward over the belt will materially assist in the cooling of the pieces. The unit cooler performs very satisfactorily in this department as a room conditioner and source of cold air for the cooling conveyor. One machine may be employed for both purposes or the load may be divided between two or more conditioners.

As 63 degrees is a relatively low room temperature, it is usually an economy to insulate the hand dipping room unless the building construction is of more than average thickness. Here again, an equivalent of two inches of corkboard has been found to be the most satisfac-

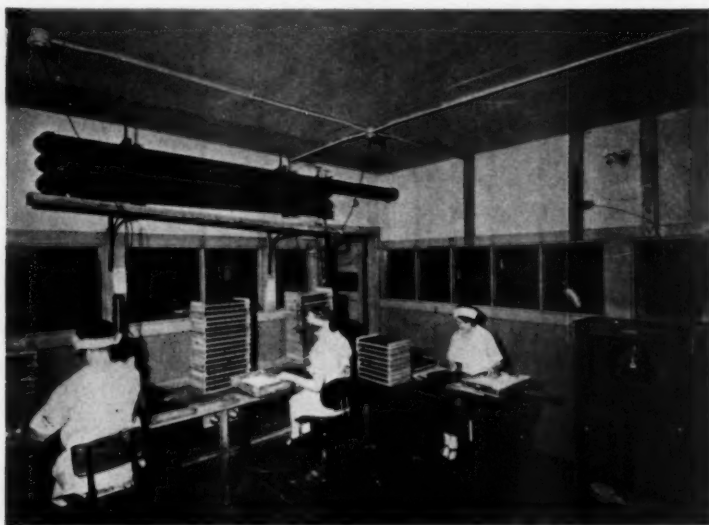


Fig. 4 (above)—Hand dipping room with portable unit air cooler installation.

type of machine or a unit of over-capacity is used. Otherwise, a separate unit conditioner connected by duct to one or more tunnels may supply the necessary cooling. Air may be discharged from the tunnels into the room in which the tunnels are located to assist in room cooling or be recirculated through the air cooler.

It is advisable to locate the entire cooling conveyor within the conditioned packing room. Heat leakage is then reduced to a minimum. During inoperative periods room air enters the tunnel. If this air is not conditioned, there is danger of condensation of moisture in the tunnel until the conveyor housing has assumed room temperature or when the circulation of cold air is again resumed.

Hand Dipping Room

Ideal atmospheric conditions for the hand dipping room are a temperature of 63 degrees with a rela-

Centers should be dipped at 76 degrees. The center tempering room and the hand dipping room should be adjacent, if possible, to facilitate the handling of the centers in a like manner to that employed in the machine coating room. A cooling conveyor similar to those shown in Fig. 3 may be used to great advantage in



Fig. 5 (below)—Chocolate packing room with central type air conditioner.

tory insulation in the majority of cases. However, the exact application of insulation should be determined by the wall, floor and ceiling construction and by the temperatures surrounding the conditioned space.

In Fig. 4 a small hand dipping room is shown. The unit air cooler located in the right foreground is of

the portable type. An electric connection only is necessary for its operation as a self-contained compressor assembly is located in the base of the cabinet. This unit cooler creates an air circulation in the room and acts as a dehumidifier. The wall refrigerating coil above the dipping tables may be operated in conjunction with the unit when a heavy heat load exists in the room.

Chocolate Packing Room

Conditioning of the air in the chocolate packing room is of particular importance. As the candy is in its finished state at that point, the greatest care must be exercised to protect its appearance both before and after packing. A temperature of 68 degrees with a relative humidity of 50 per cent affords a condition which will eliminate trouble from atmospheric causes. It has been found that goods will finger-mark when packed in a 70 degree room but at the recommended temperature that difficulty is overcome. Control of the relative humidity is necessary for the moisture content of the air must be below the point at which condensation would take place on the cooled pieces or in the cold air or on the structural materials of the cooling conveyor. If moist air were to surround the candy in the packages, the moisture would attack the sugar in the coating and would produce "graying" within a few days. The packing of chocolate coated candy in well sealed containers within an air conditioned room will greatly enhance the lasting quality of its finish.

If the machine coating room is to be conditioned and if that room and the packing room are of good size it is often economical to install a central station type conditioner to provide air for both rooms and for the cooling conveyors. If a unit installation is for any reason more advisable, either the unit cooler or the spray type unit may be used. Adviseability of insulation of the packing room may be determined in the same manner as that used in the hand dipping room. Two inches of corkboard or its equivalent is a widely used choice. It is well to locate these rooms in a cool portion of

the building and not directly below a flat roof.

Fig. 5 is another view of the chocolate packing room which is shown in Fig. 3. The air ducts supplying the cooling tunnels and the room are clearly visible originating at the fan of the central station conditioner. A four to six minute air change is usually required for the packing room. Draughty air circulation should be avoided due to the presence of the packers in the room. In this illustration bulk goods is being run on the conveyors which were used for plaque work in the previous view.

TRADE MARKS for Registration

THE following list of trade-marks published in the Patent Office Gazette for the past month, prior to registration, is reported to The Manufacturing Confectioner Publishing Co., by Mason, Fenwick & Lawrence, Patent and Trade-Mark Lawyers, Woodward Building, Washington, D. C.

Manufacturers and dealers in candies, confectionery and baking products who feel that they would be damaged by the registration of any of these marks are permitted by law to file within thirty days after publication of the marks a formal notice of opposition.

SUCHARD ORANGE, sweet chocolate. Use claimed since May, 1931. Chocolate Suchard Societe Anonyme, Neuchatel, Switzerland.

Design of sugar bowl, sugar. Use claimed since Sept. 1, 1930. California & Hawaiian Sugar Refining Corp., Ltd., San Francisco, Calif.

DIMETTE, candy. Use claimed since Nov. 27, 1931. De Met's, Inc., Chicago, Ill.

CRUNCHIES, crackers. Use claimed since Jan. 30, 1932. Johnson Educator Food Co., Cambridge, Mass.

PYGMYS, cakes, pastries and more particularly macaroons. Use claimed since Dec. 18, 1931. Pastry Pygmy Corp., Brooklyn, N. Y.

JEWELS OF HUYLER'S, candies. Use claimed since March 21, 1928. Huyler's Wholesale Division, Inc., New York, N. Y.

Picture of Monk, candy and flavoring syrup. Use claimed since Jan. 1, 1924. Old Monk Punch Co., El Paso, Tex.

DROSTE, cocoa and chocolate. Use claimed since Jan. 2, 1911. Naamlooze Vennootschap Droste's Cacao-en Chocoladefabrieken, Haarlem, Netherlands.

ALMOND DREAM, candy bars. Use claimed since May 1, 1924. F. A.

Martoccio Co., doing business as Hollywood Candy Co., Minneapolis, Minn.

BREAK UP, candy. Use claimed since May 21, 1931. Golden Nugget Sweets, Ltd., San Francisco, Cal.

Animated nut design, salted nuts and nuts in their natural state. Use claimed since Aug. 1, 1931. Triangle Nut Co., Kansas City, Mo.

YORK HONEY-NUT, chocolate covered candy bar. Use claimed since July 1, 1930. York Cone Co., York, Pa.

TOOTSIE CAMELS, candy. Use claimed since Nov. 5, 1931. Sweets Co. of America, Inc., New York, N. Y.

PECAN KRISP, ice cream. Use claimed since Aug. 1, 1929. Tom Anagnos, Dallas, Tex.

MILK-NICKEL, frozen confections. Use claimed since Jan. 26, 1932. Paul Hawkins, doing business as Paul Hawkins Co., Los Angeles, Calif.

KAYO, CHOKLET DIP, chocolate coating to be used for candy, ice cream, crackers, cookies, etc. Use claimed since Feb. 1, 1931. Chocolate Products Co., Chicago, Ill.

PEGGY KELLOGG'S KOTTAGE KANDIES, candy. Use claimed since Oct. 15, 1930. Sears, Roebuck & Co., doing business as Peggy Kellogg Kottage Kandy Co., Chicago, Ill.

YEAST-A-BRAND, I-Z BAR, frozen confections. Use claimed since Dec. 20, 1931. New Health Foods Co., Tulsa, Okla.

BANANOLA, platane chips packed in paper bags. Use claimed since October 1, 1930. Bananola South Seas Products Co., New York, N. Y.

NIKL-STIKL, frozen confections. Use claimed since Jan. 15, 1932. Frozen Confections, Inc., New York, N. Y.

BETSY BARNEY PASTEL PETALS and floral design, candied citrus fruit peel. Use claimed since Feb. 15, 1932. Laura Lovett, Sunnyside, L. I.

FROSTEEKORN, ice cream confection bar and ice cream in brick and bulk form. Use claimed since June 20, 1931. Bert R. J. Hassell, Rockford, Ill.

SUCHARD ORANGE, sweet chocolate and chocolate pastilles. Use claimed since May, 1931. Chocolat Suchard Societe Anonyme, Neuchatel, Switzerland.

KRISPUDS, potato waffles. Use claimed since Jan. 1, 1932. The Colorado Potato Flake & Mfg. Co., Denver, Colo.

PARACHUTE and design, candy. Use claimed since Jan. 10, 1931. Daniel P. Beaton, doing business as Parachute Confection Co., Winnipeg, Manitoba, Canada.

JACANJIL, ice cream. Use claimed since Sept. 8, 1931. Frigivend Corporation, Dayton, Ohio.

VAGABOND, candy. Use claimed since March 4, 1932. Thompson's Spa, Inc., Boston, Mass.

PICK-A-POP, candy. Use claimed since Feb. 29, 1932. Empire Gum Co., New York, N. Y.

ROUNDS, candy. Use claimed since March 23, 1931. Ambrosia Chocolate Co., Milwaukee, Wis.

APPLE CANDY, candy. Use claimed since Dec. 12, 1929. Ridgewood Fruit Growers, Inc., doing business as The Ridgewood Orchards, Ridgewood Orchards, Winchester, Va.

SUNSET GOLD, bread, cakes, pies, etc. Use claimed since Oct. 1, 1921. Piggly Wiggly Corp., Cincinnati, O.

The Industry Begins to Cash In on U. S. Surveys

\$417,500 Saved by 13 Candy Manufacturers Who Applied Cost Analysis System Developed in Distribution Cost Study

By R. L. PURDON

Asst. Chief, Marketing Service Division
Bureau of Foreign & Domestic Commerce
United States Department of Commerce

From Address at the National Confectioners' Convention

HERE are a lot of things wrong with the candy business, but there are a lot of things mighty right with it, too. And the way you have gone about clearing up the deficiencies in your knowledge of the basic trends and actual operations of your industry, as a whole, is one of the things which is outstandingly right.

I think most of you will remember that back in 1927 at the last Atlantic City convention we put up a chart on the platform showing how to diagnose the ills of any industry. There were three main points:

- (1) Define and state clearly the problems which have to be solved;
- (2) Assemble complete and impartial facts concerning those problems; and
- (3) Apply the results to actual operations.

There and then you yourselves agreed on a major diagnosis which held that the individuals in the industry were hitting at supposed markets blindly and extravagantly. Personal opinions as to why this was so were as numerous as the sands in the sea, but in the absence of any authoritative investigation and report as to the actual facts in the case, there was no common basis of understanding which alone would permit intelligent collective or individual action toward finding and applying adequate remedies.

Annual Confectionery Distribution Reports

At this point, the Bureau of For-



R. L. Purdon

eign and Domestic Commerce was asked to place its fact-finding facilities and experience at your disposal and was instructed by your Executive Committee as to just what information was most badly needed and could be furnished without prohibitive trouble and expense by the manufacturers. These requests or suggestions were embodied in the questionnaires which the bureau later sent out to you and has been sending out every year since. The results were analyzed and published by the bureau in the series of *Annual Confectionery Distribution Reports*, of which this new one just released at this convention covering 1931 sales operations, prepared under the able and faithful direction of Mr. Flagg, is the latest.

Aids Reduction of Overlapping Distribution Between States

By these means, a common understanding of the basic trends and fundamental problems of the industry has been slowly but surely spreading all through the trade...

One outstanding result which already can be detected from all this activity and better thinking is that during 1931 enough manufacturers put into effective use the knowledge brought out by the survey reports that there was too much overlapping of selling efforts and too much cross-hauling of freight (or, as one of your leading manufacturers put it, "It appears that we have been making candy mainly for the purpose of giving it a car ride").

Whereas, in 1925 there were 1¼ pounds of candy shipped into and consumed in some state other than that where it had been produced, for every 1 pound sale by manufacturers located right in that state—in 1931 manufacturers, generally speaking, had drawn in and concentrated more intensively on their own natural, local markets to such an extent that they took away 10 per cent of the business which had been going to distant competitors. I don't know how to estimate the actual savings which have been affected by these changes, because the information is not at my disposal; but I feel safe in estimating that at least several millions of dollars of extravagant selling expense must have been eliminated and that the industry would be just that many millions more in the red today had not that much been already accomplished.

Monthly Sales Reports

Having gotten these annual survey reports in good running order, your association next induced the Bureau of Foreign and Domestic

Commerce to provide a basis for current rather than long range decisions on sales policies, by co-operating with you in collecting and publishing every month the percentage changes in dollar sales volume. I do not think it is necessary to take up much time describing the value of these monthly reports (which also are now being carried on by Mr. Flagg), because I know that you are thoroughly sold on them. They provide a dependable picture of what all your competitors are doing, collectively of course, and enable you to keep your own sales policies and operations adjusted on a factual basis, instead of having to guess at what is going on from month to month and before the annual reports are available at the end of the year.

Distribution Cost Survey Results

Continuing these systematic and carefully planned efforts to provide the industry with sufficient information about itself so that the individuals in it could reason and make decisions with more confidence, your association next turned to the vital problem of *sales costing*. You had enough gumption and foresight to be one of the first groups of manufacturers in the United States to see the possibilities in applying to your own activities the new methods of dissolving overhead so as to show up the unprofitable items, customers, and sales territories which had been worked out by some of the Commerce Department personnel in co-operation with the best brains in a large number of other industries.

This led to the organization of the *Distribution Cost Study for Manufacturing Confectioners*, ably directed and organized by Mr. Stanley Kederski of the Department of Commerce, under the guidance and direction of the Distribution Cost Committee of your association. Bill Heide and Malcolm McDonell have been the chairmen while this work has been organized and carried through. The results of this sales costing work in seven selected plants were reported at the last convention in Chicago.

No doubt you remember some of the startling results which were reported. For example, that every

manufacturer making hard candy was losing money on it; that resale business, or handling so-called "accommodation goods" was in every case a terrifically expensive practice; that the "breaking-point" between profit and loss in order sizes was found to be just under \$10 for general line houses selling the jobber and \$6 for manufacturers selling partly to jobbers but mostly direct to retailers; that salesmen's overdrafts were running wild in adding to direct selling expense; that the average margin of confectioners selling to jobbers was 23.2 per cent of gross sales, while their average total costs, properly figured, were 22.0 per cent, leaving a net profit of only 1.2 per cent; that fewer than one-half of all the items placed on the market returned a profit; that just 15 per cent of the items carried by all the firms studied accounted for 81 per cent of their total sales volume; and so on.

Many in the industry had been suspecting for some time that things like that might be true; but when we got that clear cut jolt last year from Kederski's report, there was no longer any question as to what ought to be done about it. The industry will never get rid of some of the worst "knocks" in its engine unless and until a large proportion of the individual firms in the industry begin figuring their costs properly, and then pricing their goods so as to return a profit. This was so obvious that an immediate beginning was made on the job of spreading the use of these sales costing methods to as many manufacturers in all parts of the country as were both in need of them and were sufficiently aware of it to request the assistance provided. This assistance took the form of having Mr. Kederski visit every section of the country and try to help the interested manufacturers apply the sales costing methods used in the original study to their own office-systems.



\$417,500 Saved by 13 Candy Manufacturers Who Applied Cost Survey Findings

Ninety-one manufacturers, in every part of the United States, were contacted in this application program, and nearly every one of them was able to make some definite improvements as a result. We have voluntary letters from only 13 of these 91 firms, but these 13 estimate the actual savings (which is obviously clear profit) at no less than \$417,500. Most of the others have reported similar savings, but without specifying any particular amount. I am going to give you now a digest of Kederski's reports on some of the firms he covered:

Firm No. 1 was fortunate enough not to have any very serious shortcomings in its accounting methods, but it was found to be selling its entire output to one chain store customer. It has since been doing something more constructive than worrying about what would happen if the chain store got mad at him, and has begun a definite campaign to obtain more accounts.

Firm No. 2 had a real problem in the unusual overdrafts to salesmen, and also in what seemed to be too large a variety of items in the package goods field. By reducing the number of items, readjusting sales territories so that each salesman was assured a sufficient volume of sales on the reduced line, and by putting a clean-cut, firm and final stop on all overdrafts, this firm saved \$12,500 during the last six months of 1931. You can see how important the change was when I tell you that this firm's total sales volume was not over \$250,000.

Firm No. 3. After the sales costing methods were installed and the production cost system co-ordinated with it, this firm was found to have too much production capacity for any reasonable sales volume which might be anticipated. The owner of this firm had been considering a merger for some time, but had not realized just how badly he needed it until after he got his first sales cost. He got busy right away and was lucky enough to put through the merger with another company which

really needed more production capacity. He immediately revised all sales territories and says that he is saving \$30,000 per year.

Firm No. 4 had the critical problem of trying to decide whether they ought to concentrate their sales effort on the jobbers or sell direct to retailers. They also had a bad case of the salesman's overdraft trouble. Two sets of salesmen were being maintained—one calling on the jobbers and the other covering the retail trade. Based on a definite comparison of costs, it was found desirable to revamp the existing sales territories, allowing greater latitude for each salesman, and to set a definite limit on salesmen's overdrafts. This firm also released several salesmen entirely. In addition to these troubles, the firm was discovered to be carrying too many unprofitable items and that these were eating up the earnings from items really enjoying a popular demand. By the elimination of some of these unprofitable items and the revision of sales territories, the head of this firm estimated immediate savings of \$25,000.

Firm No. 5 found out very quickly that its distribution expenses were too high for the volume of sales obtained. They promptly reorganized their selling map, concentrating on local territory, grouping together some of the distant territory to be covered by fewer salesmen, and putting the surplus salesmen to work in the nearby markets. Thus this firm did not actually have to discharge any of its sales force. The salesmen's overdraft problem was acute with Firm No. 5 also, so a fixed standard ratio of direct selling expense to sales volume was set up and insisted upon. \$15,000 was the saving in overdrafts alone. And within three months after these changes each salesman had increased the profitable business he was turning in.

Firm No. 5 also had been putting out a sizeable volume of hard candies in jars which showed a loss amounting to \$5,000 per year. The hard candy department has now been absorbed by another one normally capable of assuring enough

volume to eliminate this \$5,000 leak in profits.

Firm No. 6 also was found to have its selling expense away out of line with what their particular sales volume could stand. After the sales cost analysis was completed and studied it became clear that radical changes in distribution methods were imperative. The firm had the intestinal fortitude to change over from practices hoary with venerable tradition in that firm, but revealed

What the Department Of Commerce Is Doing For the Confectionery Industry

BESIDES announcing the notable savings enjoyed by the manufacturers who the past year applied the cost analysis system developed from the department's distribution cost study among confectionery manufacturers, Captain Purdon reviews herewith the mass of invaluable information provided the candy industry by the fact-finding facilities of the Department of Commerce.

"The time has come," says Captain Purdon, "for you to get going in real earnest on applying the results of all this fact-finding to your actual operations."

"As they stand, they represent a valuable collection of information if used as the basis for a definitely organized educational campaign among the manufacturers, the wholesalers, and the retailers who need help in achieving a better knowledge of their markets and a better knowledge of their costs."

You should read this discussion for both the enlightenment and worthy suggestions it contains.

—Editor.

as being clearly unprofitable. A good part of the volume of deliveries consisted of very small orders. These are now being delivered by truck. Estimated savings: \$20,000.

800 Items Representing Only 15 Per Cent of Tonnage Dropped from Line of 1200 Items

Firm No. 7, made one of the most sweeping changes reported, when it summarily cut out of its previous line of 1200 items all but 400 of them, which they knew were making money or had reasonable prospects of doing so, with the more concentrated sales effort thus made possible and without increasing the sales

force at all. The 800 items thrown out represented only 15 per cent of the previous total tonnage and this is being replaced by more effort on the smaller number of profitable numbers.

Firm No. 8, after a few months of operation under the new cost control system, found that it could save approximately \$7,000 by re-aligning its sales territory, which it did. In this case it was clearly established that they could not sell goods profitably more than 500 miles from the plant, so the salesmen were withdrawn from distant territory and concentrated on really profitable near-to-home accounts. Also, Firm No. 8 uncovered serious mistakes in its method of pricing package goods which had been piling up invisible losses. Their mark-ups have been corrected and the unprofitable package goods items discarded. Excess production capacity was another of the more typical troubles found in this firm. To show how the management was thinking after their analysis had been put before them I will quote the head of this company:

"I am impressed with the fact that this survey shows primarily that we are geared up to and are pricing and merchandising our products on the basis of from \$250,000 to \$500,000 more business than we are actually getting."

Firm No. 9 specialized in penny goods. They were giving a larger piece in one market than in the rest of their sales territory. The management had just about decided to reduce prices in all quarters in order to stimulate sales when they began their sales cost analysis. Just two months later they changed their plan and increased the size of their piece so that it is now the same in all sales areas, and this instantly produced the desired additional popularity. Production selling economies resulting from making the one uniform size piece are being translated now into profits that heretofore have been getting away.

Firm No. 10 was specializing on hard candies and equipped to do that well. But, probably because the other fellow's pastures seem always to look greener and more inviting, this manufacturer was ambitious to

invade the chocolate goods field, too. It was pointed out that since the plant facilities had been designed to manufacture hard candies and nothing else, and the whole sales set-up organized along the same line, serious losses were almost certain to result if he insisted upon going into an already highly competitive field. Finally, he convinced himself that it would be better to stay with the candy which he could produce and sell most economically.

Unintentional Price-Cutting by Large Firm Found Due to Faulty Cost Figures

Firm No. 11 was suffering from mal-adjustment of sales territories, a bad returned-goods problem, and too many unprofitable items in a very large line. In addition to this, a faulty method of distributing overhead expense had resulted in wrong pricing and a large loss from selling goods below cost which amounted to \$75,000 in 1930, alone. Only material and direct labor were considered when figuring costs. They had not remembered to include the proper proportion of unabsorbed overhead.

It seems scarcely credible that such a thing could be possible in one of the largest and finest firms, making a fine line of package goods and bulk candies. But the fact is that they were doing it right up to the minute when their first accurate sales cost analysis was shown them. I think this case most significant, because the line concerned is important enough to exercise an influence on prices in many sections of the country. They are one of the most reputable houses in the business and have been kicking loudly about price cutting for years. Yet here they had been all this time cutting prices themselves and not even realizing it.

They had several other things, like bad allocations of sales territories among their salesmen, to correct also. And believe me these things were promptly corrected. I cannot tell you just how, because it might identify the firm to you, but I can tell you the changes made will save them just about \$100,000 per annum.

I have at least fifty other cases

which I might present if we had the time. But I think I have given you enough to prove to you that if you are not absolutely sure that your costing system is right-up-to-snuff you are overlooking one of the easiest ways open to you for adding to your profits. If intense competition, reduced consumption or any other factor is cutting into your volume of sales, why not get some good out of the situation by making a real effort to save some of the money you are probably now throwing away through misapplied sales efforts? Modern sales costing will show you where to find it.

Many firms seem to be deterred from doing such things, especially just now, by the feeling that they cannot afford to add anything at all to overhead in order to obtain proper records of what they are doing to their business or what their business is doing to them. For my part, I think such reasoning can be proven to be exactly wrong, and no firm can really afford *not* to have proper records and cost controls these days. If the actual experiences just cited do not prove that much, they do not prove anything. And when the rest of the 600 manufacturers who produce the bulk of our candy take such steps as have been taken by the 91 which already have been or are doing so, something definite will have been accomplished toward curing the industry's most difficult problems of excessive sales competition for unprofitable business and irresponsible price cutting. I will tell you right at this point that a certain firm which some time ago started a price cut which has been felt all over the country, and is still being felt, has told us privately that if they had made their sales cost analysis at that time, they never would have taken the action they did.

Other Surveys Provide Facts

Now let me go back for a moment



and complete the picture of the statistical work which the Commerce Department has provided for your industry.

Besides the *Annual Distribution Surveys*, *Monthly Sales Reports*, and the *Manufacturers' Sales Cost Analyses*, followed by the application work with the 91 firms, the *Reports of the Louisville Grocery Survey* contain some very definite information about the costs and practices of selling confectionery for retail grocery stores. The *St. Louis Drug Store Survey* which is now being finished up has some even more useful cost and sales information on confectionery sales through the modern drug store, including a comparison of 10 independents with a large chain drug system. You will recall that your association is one of the sponsors of that effort, along with 30 other national trade associations.

There is also the splendid amount of directly useful information on retail and wholesale confectionery outlets in every state, county and important town in the country which has been provided in the National Census of Distribution. We have here for the first time a picture of the total merchandising structure of the United States, a per capita basis to show the number of stores per unit of population in every section of the country, thus furnishing the first practical check possible in determining whether there are just enough, too many or too few wholesale and retail outlets for particular commodities in any given section. All of which will be very definitely useful in eliminating guess work as to what are logical markets, in helping to establish scientific sales quotas, in determining whether the business warrants advertising of commodities nationally or whether the advertising effort should be broken down into local campaigns, and a thousand and one other things which your own ingenuity will suggest.

Jobber Survey Needed

And confectionery stores are the only ones in the entire food-handling group for which separate data

are published in these Census of Distribution reports.

Now, gentlemen, there remains only one important gap in the chain of information which has been slowly put together for you during the past five years. That is some similar facts concerning the confectionery jobber. You have available now all the material on manufacturing and retailing confectionery which I have mentioned. But the jobber situation has hardly been touched upon directly in any of these investigations. Mr. McDonnell explained the status of the proposed study to be made at Cincinnati in his address to this convention. I have no fear at all but that you will dig up the few hundreds of dollars necessary to assure that this work be completed and the results become available by next year.

When this jobber information has been made available, you will have just about completed the job we set out upon five years ago. You will remember that this fact-finding effort is the second stage of the program of progress then charted out for us. Which automatically means that the time has come for you to get going in real earnest on the important third phase, that of applying the results of all this fact-finding to your actual operations. At this point, the burden of initiative passes over from the Commerce Department to yourselves.

There is absolutely no point in collecting a lot of statistics unless they are subsequently put to work in helping you to better management control of your industry and of your own businesses. As they stand, they represent a valuable collection of information, if used as the basis for a definitely organized educational campaign among the manufacturers, the wholesalers, and the retailers who need help in achieving a better knowledge of their markets and a better knowledge of their costs. The time has come to get down to some practical basis for controlled distribution through jobber selection and through retailer selection.

If I may be pardoned for getting over into your side of the pic-

ture in order to make one suggestion, it is this:

Plan Suggested to Educate the Jobber and Retailer

Through the Association, the Institute, or some agency set up specially for the purpose, group meetings ought to be organized all over the country where the representatives of you manufacturers can sit down with the local jobbers and retailers who have enough on the ball to be worth the trouble of educating. Through such channels you ought to really take off your coats and go to work with them helping them to analyze their problems of management and furnish them with specific help and suggestions, based on these survey data or your own experience, which will insure their being in a healthy, profitable and enduring position. Then you ought to individually and collectively back up these selected distributors just as sincerely and effectively as you would any other part of your own business.

For they are a part of your business, and an indispensable part. The three units in the distribution chain (manufacturer, wholesaler and retailer) are indissolubly tied together in supplying the consumer, and one cannot prosper unless the others prosper. Everything we have observed and learned during this depression serves to emphasize that vitally important fact. The initiative in carrying through a nation-wide educational program of this kind rests more with the manufacturer than with any of the other groups, for while the distributor does not *have* to buy your products if he can find a substitute, you *do* have to sell and keep right on selling your products to him or go out of business.

If you will only see to it now that something like this is definitely organized and set in motion you will have carried through the en-

tire program necessary to get the full value of the efforts put into these fact-finding studies translated into terms of a more compact, virile and profitable industry.

And there is a great deal along this same line which can be successfully undertaken by the individual manufacturer who can afford to employ missionary salesmen. You might well consider carefully the possibility of substituting a cost accountant for one of these salesmen, especially during these times of declining sales volumes, and let him get around to all your really valuable accounts, assisting them to do a proper job of sales costing their operations and weeding out their own unprofitable items, customers and sales territory. The good will which could be built up by making such practical service a regular part of your dealer helps program would be of a more solid and enduring character than a thousand "glad-hand" calls of the usual kind. And you could feel more comfortable about the chances of your distributors remaining in business and paying their bills if you knew that they were not making many of the present common mistakes in management.

New Show Features Cellophane Number

THEATRICAL producers, ever in search of the new and novel for their stage presentations, have seized upon Cellophane and provided Broadwayites with one of the most unique numbers they have seen in years.

The show in question is a new revue called "Hey! Nonny, Nonny"; the act in which Cellophane plays the feature role is entitled the "Nude Ranch." Robert Garland, theatrical critic of the *World-Telegram* in commenting on this entertainment, wrote as follows:

"In the first act finale the 'Nude Ranch' of the program really turns out to be quite the dude ranch of reality. Instead of the undraped ladies you had in your mind's eye, you find yourself in the presence of cowgirls in Cellophane chaps dancing chastely behind the Cellophane grille."

The entire number, including the drop and the costumes of Chorus and principals was staged entirely in Cellophane.


Perhaps the makers of transparent cellulose have opened up a new market for their product!



Personnel Developments During Depression

*An address given before the Associated
Retail Confectioners of the United States,
Statler Hotel, Buffalo, May 31, 1932
by Chester A. Asher, Jr.*

Attitude Toward Labor

HE present unemployment situation has undoubtedly given the employer the upper hand in his dealings with labor. Just how he acts while he has the advantage will probably react on both the individual and on employers as a whole when the pendulum swings the other way.

There is no doubt that the first wave of unemployment found the least efficient workers in the ranks of the jobless, but as things became rapidly no better, thousands of men and women of the finest kind have found themselves without work and willing to labor for anything they can get. This brings to management the problem of superior people applying for jobs already filled by less desirable workers. Ordinary replacements are certainly being made all along the line with higher type workers than filled the same positions five years ago.

The answer for the far sighted manager is probably in the matter of loyalty. A man who has been making ten thousand dollars a year, and is now willing to accept a job for twenty-five dollars a week to keep the wolf from the door, will not be happy in the new job, and will quit the minute things begin to look up a little. The same thing in less degree is true of every job down the line, and it rests with the manager to pick out, not the very highest type person available in this labor market, but the highest type that will be satisfied with the job when conditions begin to improve. The management that does not try to buy too much for its dollar of wages today will find that it can buy more later, and for the sound concern there is no time like the present for building up a fine organization of loyal and efficient workers.

Training

Since the time, a few years ago, when the custom of training retail sales people became practically universal, the methods used in this training have fallen into three distinct classifications.

The first one is the training with strict regulation by voluminous printed rules. This method has had a measure of success in some individual cases where a great deal of time and money have been spent in the preparation and presentation of the rules. This method is possible only under one of two conditions; either a clever executive with a flair for writing and teaching is detailed to the job with unlimited money and time, or else a ready made course is bought from a sales training school. The first method is too costly to pursue in the present market, and the second brings material that is so general that results do not justify the time spent on it. One such course was put out by the National Confectioners' Association a year or so ago, and abounded in such phrases as "Be alert!" "Be courteous!" etc., etc.

The second method of training is by lecture and discussion, either with a very flexible prearranged schedule, or dependent wholly on topics which arise daily or weekly in the ordinary course of business. This allows for the introduction of human interest stories, tales of the places where products are raised, and knowledge of the ingredients of the products. For certain types of executives, this method is excellent, and has the advantage of keeping every member of the organization on their toes, as a certain amount of praise and censure is sure to creep into the discussion of real situations. This method of training has been successful in stores of medium size, but as so much direct responsibility rests upon the person who conducts

the training, it has not always met the needs of chains and unit stores unless they are close enough to bring the salespeople together en masse. This type of training is also likely to degenerate into a mere outline of sales policies and instructions to push certain goods. The question of whose time will be spent in sales meetings has pretty generally been met by holding sales meetings during working hours.

The third method of training, which is really a lack of training, is suggested by Mr. Arthur Freeman, of New York, who is an authority on retail selling. His suggestion is to take retail selling out of the "job" class, and make it a profession. He points out the success of individual stores who have paid extremely high salaries to salespeople, and in return have engaged only those with a background of culture and physical fitness which makes it unnecessary to exhort them to be "alert" and "courteous."

With such people, only the sketchiest kind of preliminary training is necessary, for if they live on a par with the customers they serve, they have an instinctive knowledge of wants and how best to fill them. An extreme example of this sort of measure is the Woolworth stores, where the girls are forbidden to try to "sell" the customer, but are expected only to wrap parcels and collect ten cents for each one. The type of girl employed is so near on a par with the average customer that formal sales training is superfluous. On the other hand, there are many notable cases where college girls have great successes with stores catering to a wealthy clientele, and this with a minimum of formal sales training in the organization.

Perhaps in our quest for perfection in sales training we have overlooked the fact that a great many things must be taught at home and in the schoolroom, and that culture, personality, endurance and charm have more to do with selling than we have supposed. An example of this was the girl in the store of one of our members. I was visiting the city and dropped in this store to get a box of candy to take home as a souvenir. This store has a rule that each customer be given a sample of candy.

The day was hot, and the store was crowded. The saleslady gave

(Continued on page 47)

Remarks: This is a good package of chocolate covered caramels.

Code 6Ee 32

Marshmallows— $\frac{1}{2}$ lb.—50c

(Purchased in a retail candy store, New York City)

Appearance of Package: Good.

Box: Enameled, hinged cover, colored in violet, gold and white.

Marshmallows—

Color: Good.

Texture: Too short, partly dry.

Taste: Good.

Remarks: Price is entirely too high for this class of goods. Better marshmallows can be purchased at 40c a pound.

Code 6Ff 32

Milk Chocolate Caramels—

$1\frac{1}{4}$ ozs.—5c

(Purchased at a cigar stand, New York City)

Appearance of Package: Good. Twelve pieces in a tray in a printed transparent cellulose wrapper.

Chocolate Coating: Fair.

Caramel—

Color: Good.

Texture: Good.

Taste: Good.

Remarks: This is a good 5c package of dipped caramels.

Code 6Gg 32

Assorted Marshmallows—

10 ozs.—10c

(Purchased in a retail candy store, Boston, Mass.)

Appearance of Package: Good.

Box: Folding tray in white and blue, printed in white with white transparent wrapper.

Assortment: Plain white marshmallow, toasted marshmallow and one with small colored nonpareils on top.

Plain White Marshmallow: Had a fairly heavy crust.

Color: Good.

Texture: Good.

Taste: Good.

Toasted Marshmallow—

Cocoanut: Good.

Texture: Good.

Taste: Good.

Nonpareil Top: Colors of nonpareils a trifle too bright.

Texture: Good but had a crust.

Taste: Good.

Remarks: This is an attractive box of marshmallows and of good quality. Suggest formula or factory conditions be checked up as marshmallows had a fairly thick crust. Any number of things can cause a crust on marshmallows but most important is the batch, beater, starch and temperature of batch, starch rooms. It is very hard to find the cause of the marshmallow crusting but a marshmallow that has a crust is not so eatable.

Code 6Hh 32

Assorted Wrapped Caramels—

1 lb.—29c

(Purchased in a drug store, Boston, Mass.)

Appearance of Package: Good.

Box: White tray, wrapper of transparent cellulose, white seal printed in red.

Assortment: Plain vanilla, vanilla marshmallow, plain chocolate and chocolate marshmallow.

Vanilla Caramels—

Color: Good.

Texture: Almost completely grained.

Taste: Fair.

Chocolate Caramels—

Color: Good.

Texture: Good.

Taste: Fair.

Remarks: These caramels are not up to standard. Taste is off in vanilla caramels and piece is either not made right or the formula is not balanced. Tastes as if old or cheap caramel paste is used in both vanilla and chocolate.

***DUE** to limited space, it is possible to include only a cross section of the goods available under the different types and classifications of candies brought to the Candy Clinic each month for examination. Partiality and discrimination play absolutely no part in our selections. Lesser known merchandise is sometimes given preference over merchandise that has already established itself favorably in the eyes of the consumer, and to that extent only can we be considered discriminatory.*

Bearing this fact in mind it is evident that the market holds many excellent confections which never reach the Candy Clinic for examination. Such being the case, any opinion we might express in these columns as to the superiority or inferiority of any item analyzed, is in no sense a fair basis for comparison with any of the many other confections of the same type which do not happen to be among the items examined at that particular time.

—Editor.

Code 6Ii 32

Assorted Wrapped Caramels—

1 lb.—39c

(Purchased in a drug store, Boston, Mass.)

Appearance of Package: Good.

Box: Packed in a blue tray. A farmland scene on top of transparent wrapper.

Assortment: Plain vanilla, vanilla marshmallow, vanilla nut, plain chocolate, chocolate marshmallow, chocolate nut.

Vanilla Caramels—

Color: Good.

Texture: Good.

Taste: Good.

Chocolate Caramels—

Color: A trifle light.

Texture: Good.

Taste: Good.

Remarks: This is one of the best wrapped caramels at the price examined by the Clinic.

Code 6Jj 32

Marshmallow Slices (No price)

(Purchased in New York City)

Appearance of Piece: Good.

Colors: Too deep.

Texture: Good.

Taste: Fair.

Remarks: This is very cheap candy; looks like 1c piece.

Code 6Kk 32

Marshmallow Whirl (No price)

(Purchased in New York City)

Appearance of Piece: Good.

Texture: Good.

Taste: Good.

Remarks: This is a good looking piece but of cheap quality.

Code 6Ll 32

Marshmallow Novelty (No price)

(Purchased in New York City)

This piece is made up of two large marshmallows rolled in colored cocoanut. The two pieces are stuck together and a rubber band fastened in the center.

Colors: Too deep.

Texture: Good.

Taste: Fair.

Remarks: The colors are entirely too deep. Inserting a rubber band or any metal piece into candy or fastened to a piece of candy is unlawful. The piece no doubt is meant to represent a rubber ball with an elastic fastened to it.

Recent Trends in Confectionery Distribution Reported

CONSUMPTION of confectionery in the United States was approximately one pound per capita per month in 1931, reports to the Commerce Department in its annual survey of the confectionery industry indicate. Per capita consumption in 1931 was 11.78 pounds, as compared with 12.9 pounds in 1930.

Sales on a poundage basis dropped only 5.8 per cent from the 1930 level, though the decrease on a value basis was 15.4 per cent as a result of a decrease of 10.7 per cent in the average price per pound. Average price per pound for all confectionery dropped from \$0.207 in 1930 to \$0.185 in 1931.

A marked increase in the proportion of sales made in packaged form was recorded, with the increase being entirely in the field of plain-package confectionery. The per cent of total sales of each type of confectionery remained about the same.

These recent trends in the distribution of confectionery in the United States are revealed in a preliminary report from the survey conducted annually by the Foodstuffs Division, at the request of the National Confectioners' Association and with the cooperation of members of that organization. Manufacturers representing about 86 per cent of the national production furnished the figures used in the report.

Copies of the "Preliminary Annual Report of Confectionery Distribution, 1930-1931" can be obtained free from the Foodstuffs Division, Department of Commerce. A more complete report is being printed and will be for sale at a later date.


(Dept. of Commerce Report.)

Successful Methods by Which We Have Increased Our Business In the Past Two Years

By ERNEST WILSON

*The Ernest Wilson Co., San Francisco, Cal.
Famous for His "Candies With a College Education"*

An Address at the A. R. C. Convention

FTEN I have realized how helpful it has been to me to learn about the problems which have confronted others in our line of business, and of the methods which have been used to overcome these particular problems; and it is in the hope that a recital, in some detail, of the methods which have proved their worth to The Ernest Wilson Company will be equally helpful to some of you, that I have accepted the invitation to discuss this subject: "Successful Methods by Which We Have Created Business in the Last Two Years."

Brief History of the Ernest Wilson Company

Our small chain consists of eleven stores, four of which were added during the past year. These stores are all located in Central California. Three are in San Francisco, and three are "across the bay" in Oakland; the other five are located in five different cities, ranging from 15,000 to 100,000 in population.

Each one of our "Confectaurants" consists of three retail departments—Candy, Fountain and Restaurant, and in eight of our stores, we have still another, a Pastry Department. All of our stores are colorful and attractive, well equipped and modern in every respect, with seating capacities of from 100 to 120 persons in three stores, and from 200 to 300 persons in the eight larger stores.

In a central plant in San Francisco, we manufacture our own candies. Our ice cream mix is also made in San Francisco, being pasteurized and homogenized. It is then shipped to the outlying stores, where it is frozen as needed; but for the six stores in San Francisco and Oakland, it is frozen in a central plant. Likewise, the baking for the

outlying stores is done at each store, but for San Francisco and Oakland, it is centralized. The greater part of the buying is done at our central plant in San Francisco, where the General Store Room (Commissary) and the Main Office, as well as the Factory, are located.

The total number of our employees ranges from 600 to 700, the number varying at different seasons of the year.

Our business was started in May, 1897, and incidentally we are, at the present time, celebrating our 35th Anniversary by giving to the public storewide values which are the greatest in the history of our business. From the time of the Company's inception, our policy has been to make and sell only goods of the highest quality. There has never been the slightest deviation from this merchandising policy, not even during the past two years when prices have been tumbling to lower and lower levels. We have given our pledge to the public that no matter how low our prices may be, we will never compromise with quality, that the products we buy shall always be the best we can find, and that the products we manufacture shall always be the best we know how to make.

The Problem of Declining Sales

Our business, taken as a whole, had been showing a very satisfactory rate of increase for a number of years up to 1930. While in the Fall of 1929 we had noticed a sudden slackening in the rate of increase, we were not greatly concerned, believing that the slump was only a temporary one; but by the beginning of 1930, we realized that there was great cause to feel alarmed over the changes in business conditions, which were indeed apparent on the horizon. It was evident that

a turn had taken place which would soon reflect itself in decreased sales, unless something was done of sufficient strength to stem the tide.

It has been our custom to call together quarterly our Store Managers, Candy Factory Superintendent and Executive Officers, for a two or three day Conference, to discuss matters pertaining to the business. In January, 1930, the first Conference of the year was held, and at this particular Conference, all the sessions were devoted to a discussion of ways and means to keep up the ratio of sales.

The conclusions reached at this Conference may be briefly stated as follows:

1. That sales were not so dependent upon business conditions as upon *our policies and management.*
2. That if we should give better quality, better service and better values than others in our line of business, *we would increase our sales* in spite of general business conditions being bad.
3. That we could not expect to accomplish our objectives *without capable, well-trained employees.*

Improvement in Personnel

At that time, we decided to take definite, far-reaching measures to improve our personnel. Though we had been conscious of the necessity of engaging only capable employees, we had not fully realized what we now know to be a fact, that the position occupied by an organization in the business world is determined almost entirely by the character of its employees.

The first step was to eliminate all employees who did not, and who would not or could not, measure up to the standard we had set.

The second step was to take infinite care in selecting new employees. Once the employee has been

hired, we devote time and attention to him, so that we may be assured he is "getting started" right. Our Employees' Manual has been a great aid in putting into effect standardized service in all of our stores.

It is of equal importance that a new employee knows very thoroughly the Company's products and that he himself is "sold" on them; also that he is sold on the policies of the Company.

The next step is to train and educate our employees to do their work exactly as we wish it done. Not many employees of their own accord will make a serious effort to improve their work, and in such cases, few of them would know just how to go about it.

To take care of this, we established classes for the instruction of employees. Some classes are conducted by our Managers, some by the Assistant Managers, and some by the Department Heads. Our quarterly Conferences of Store Managers, which have been held for the past twelve years, have helped a great deal in preparing our Managers for this work. Twice each year, for the past two years, at our Managers' Conferences, we have had the Department Heads of all stores meet with the Managers, and this has helped considerably in developing our Department Heads along these lines.

Meetings are conducted in each one of our stores at regular times; that is to say, once each week there is a meeting held which is attended by the Store Manager, Assistant Manager, Chef, Head Baker, Head Dispenser, Candy Department Forelady and Floor Captains, to discuss matters pertaining to our business. This is an open meeting in the strictest sense, and each one attending is urged to say whatever he wishes in the way of constructive criticism about his own department or another's. There is also a weekly meeting of the employees of each department under the leadership of the Department Head or the Store Manager, at which time matters pertaining to that particular department are discussed.

Training and Development of Employees

Every employee in the Company knows that—"Advancement comes only to those who improve." Every employee also knows that every promotion is made from within our

ranks, that no Store Manager, Assistant Manager or Department Head is ever employed from the outside. Knowing this, our employees, especially those who wish to advance, are very much interested in improving themselves.

To insure ourselves of having capable, trained men and women available for Assistant Managers and Store Managers when needed, we are now organizing a "Junior Executives Group." Membership in this Group will be limited to Assistant Managers and a few other em-

How Wilson's Increased Business

WHEN sales began to decline two years ago, Mr. Wilson and his organization decided that sales were not so dependent upon business conditions as upon their own policies and management. Then they began concentrating on improvements all along the line:

1. *Improvement in Personnel*
2. *Training and Development of Employees*
3. *Physical Improvements*
4. *Store Diagnosis*
5. *Budget Control*
6. *Giving Greater Values*
7. *Increased Advertising*

ployees whose work and personal fitness causes them to be considered "Good Material," and thereby eligible.

Classes in store management will be conducted for members of this Group once each week in San Francisco, and members who are too far away to attend will receive instruction by correspondence.

So much for improvement in personnel.

Physical Improvements

In the Spring of 1928, one of our finest stores was partially destroyed by fire. It was rebuilt along newer lines, with modern, colorful decorations. This store had not been doing very well for several years, but when it was re-opened, with the same employees, the same manager

and the same policies, business increased 30% and did not fall off until 1931.

That was a lesson to us, and we immediately redecorated two other stores, and in both instances, sales increased materially.

Since then, we have completely remodeled three more stores, and although the expense was considerable, the results have more than justified the expenditure.

At the present time, we are closing our store in Sacramento, a city of 100,000 population, and are installing a new store, complete, which will be opened in about ten days from now (this will be before I return) and will be one of our most attractive stores. Incidentally, this store has not been profitable. Although we are moving only a few doors from the old location, we expect an increase of 50% in business, which would be sufficient to show a very satisfactory profit.

Store Diagnosis

Remodeling or redecorating may or may not be advisable, according to circumstances, but good housekeeping is necessary at all times.

In order to get the clean-up work done regularly, we have, for each department, a typed working schedule in which are listed the duties to be performed, and by whom and when. Without such schedules, it would be difficult to operate efficiently, and still more difficult to maintain a store that is thoroughly clean.

As a means for checking up on the condition of each one of our stores, including the quality of merchandise, service, appearance of employees and other matters,—we use what we call a Store Diagnosis Report, which is filled out at frequent intervals by the Store Manager and by a Supervisor or by certain of our Executives. This Diagnosis covers pretty well the whole range of store operation, and by a system of grading, which is used, it gives a true picture of how each store is being managed.

Budget Control

A few years ago it was my good fortune to read a book entitled—"Assuring Business Profits," by James H. Rand, Jr. I urge all of you who have not read this book to do so. It has been worth many thousands of dollars to our organization. The *Budget Plan*, under which our stores have been operating for the past three years, is the

SUCCESSFUL METHODS OF INCREASING BUSINESS

result of ideas obtained from this book.

During the last ten days of each month, the controller of our organization visits each store to prepare with the manager the budget of sales and expenses for the ensuing month. Since the key of the budget plan is to "spend less than is taken in," the first step necessary is to determine what we can reasonably hope to do in the way of sales. After very careful study of such things as weather, special sales, unusual local conditions (i. e. conventions, etc.) and the general trend of sales, whether on the upgrade or decline, the sales budget for each department is set. At one time we worked with two sales budgets—a high one and a low one—the high one being our "goal," and the low one representing an amount we felt sure of reaching. Setting a "goal" was stimulating and brought fine results, but because of the importance of knowing just how we stand, during these times, we are working with only the low sales budget and pitting against this our anticipated expenditures.

BUDGETING OF EXPENDITURES

The Budgeting of Expenditures is done under three distinct classifications:

1. Cost of Merchandise.
2. Cost of Labor.
3. Cost of Expense—Fixed and Controllable.

COST OF MERCHANDISE

To arrive at the Cost of Merchandise for each department, the maximum percentage allowed is figured, based upon the department's Sales Budget. For example, the maximum percentage allowed for the cost of merchandise in our fountain departments is 35%; therefore, the amount entered on our monthly budget will be 35% of the estimated fountain sales.

COST OF LABOR

To know exactly what the total expenditure for labor will amount to before the month is started, we list on the budget, by departments, each employee, his capacity, rate per day and total salary for the month. The cost of this labor is then computed and totaled, and no increase in labor expenditure is permitted unless first oked by our controller.

FIXED EXPENSES

Our next step is the listing of expenses. Fixed expenses being first

in line, we enter the amount opposite each of the items and take a total. Fixed expenses are made up of rent, depreciation, taxes and insurance.

CONTROLLABLE DEPARTMENTAL EXPENSES

After the fixed expenses, we have listed the controllable, departmental items; these are, laundry, supplies, replacements and compensation insurance. The costs of laundry and supplies are gone into thoroughly; matters affecting these expenditures are discussed, and the approximate costs decided upon and entered. Replacements of china, glassware, silverware and linen are requisitioned at this time, and the cost is figured and entered. We replenish the stores' supply of replacement items each month in order that we may always have sufficient china, glassware, silverware and linen to enable us to give good service. A monthly inventory of our china and glassware is taken on a "Breakage Report," and by checking the amounts on hand, we know immediately how much is needed to bring the inventory up to normal. The difference must prove with the total of the daily breakages, which are listed on this report under the individual items. We also take a monthly inventory of silverware and linen in order to determine the quantities needed to replenish these items. In addition, all necessary repairs are discussed, the cost determined and listed. The cost of compensation insurance is figured on the basis of the payroll and entered on the budget. A total is then made of these expenses.

CONTROLLABLE GENERAL EXPENSES

Next we have the controllable, general expenses, which consist of advertising, executive, main office and administrative expenses, employees' discounts, freight and cartage, miscellaneous, and the utilities: gas, light, etc. The costs for all these items are estimated and determined by the controller prior to the monthly visit to the stores, although factors affecting these costs are discussed with the manager. Each day every meter in the store is read and recorded on a "Daily Meter Reading Report." With this information, the manager knows immediately if there is any waste. This report is made in duplicate, the original being sent to the main office for use in comparing costs for all stores, and the

duplicate is retained for the manager's file. These expenses are then totaled.

By totaling the cost of merchandise, labor and expenses, we know the amount of disbursements for the month, which, when deducted from the total estimated sales, show us what is left in the way of expected profit.

MONTHLY BUDGET

Each Manager is furnished with a typed copy of the Budget for his store at the beginning of each month. This Budget tells him exactly what he is to do, and it is up to him to operate his store accordingly.

All in all, the Monthly Budget makes him feel quite concerned about the income of his store, as well as about the outgo.

During the month, the Manager is provided with daily and weekly records which keep him fully informed as to the status of his store from every standpoint. Any deviation from the budget is promptly detected.

MANAGERS' COMPARATIVE SALES RECORD

1. On the first of each month, the Manager receives a Comparative Daily Sales Record for each department. On this sheet are listed last year's sales and the estimated sales for this year, day by day for the current month. There is a column for the Manager to enter his actual daily sales and compare them with the previous year, and more particularly with his sales budget.

MERCHANDISE COST REPORT

2. Each day the Manager receives a Merchandise Cost Report for the fountain and restaurant departments. Based on the fundamentals of standard inventory cost finding, these accumulative merchandise reports show the actual cost of merchandise purchased during the month to date, both in dollars and in percentage. We actually know every day the accumulative merchandise cost in every fountain and restaurant department in our chain. Merchandise costs are watched very closely by our Controller and immediate communication is made with the Manager whose merchandise costs are out of line.

EMPLOYEES' TIME CARD

3. The time cards for all of our employees are checked and figured at our Main Office and balanced

with the labor as listed on the Budget. The labor for each store is segregated into various classifications, such as, salesladies, cashiers, waitresses, captains, dispensers, buss boys, dishwashers, porters, cooks, bakers, pantrymen, storeroom man, engineer, assistant manager and manager. Thus we not only have the total labor cost for each department of each store, but we have this cost divided into classifications and the cost for each classification figured both in dollars and in percentage of sales.

CONTROLLER PASSES ON EXPENDITURES

4. All invoices and petty cash vouchers covering expenses must be checked by the Controller before they can be registered and entered for payment. In this way, we are assured that only those expenses which were authorized in the Budget have been incurred.

WEEKLY STORE REPORTS

5. The chief value of records is to have them available in time to be used to the best advantage. Until recently, we did not know definitely the monthly results of our store operations until about the middle of the following month. Realizing what it would mean to us to know at weekly intervals during the month the profit or loss for each store by departments, we brought our accounting "up to the minute," so that this information is available. A report is made for each one of our stores on Tuesday of each week, covering operations up to the preceding Saturday night. This report gives us the following information for each department of each store:

1. Merchandise costs in dollars and in percentage.
2. Labor costs in dollars and in percentage for each class of labor, so that we may make comparisons between the different stores.
3. Cost of expenses in dollars and in percentage.
4. Profit or loss in dollars and in percentage.

In addition, this report shows the profit or loss for each store as a whole, the profit or loss of the entire chain as a whole, and by departments.

The above information is exact as to sales, merchandise cost, labor cost and fixed expenses. As to controllable expenses, it is only approximately correct. Experience has

shown us, however, that our estimate of controllable expenses is so nearly correct that for all practical purposes it may be assumed to be exact.

Budgetary Control has enabled us to reduce the cost of merchandise and labor. It has helped to eliminate waste and to reduce our controllable expenses.

The Budgeting of Sales has been a factor in stimulating the efforts of our Managers and Department Heads, and actually has resulted in additional business.

Greater Values

In the 35 years that I have been in business, there have been several periods when the public has been price-conscious to a much greater degree than usual. This has been true during the past two years, and it has seemed almost impossible to keep up our volume of sales without making a price appeal. In fact, I believe that the stores which are most likely to survive are those which can afford to, and do, give greater values.

When prices are reduced, there are certain results which tend to reduce profits:

1. The margin of profit is generally reduced.
2. Unit sales are generally smaller, making it more difficult to increase the sales volume.
3. The percentage of labor costs and other expenses is often increased.

We have tried to overcome some of these disadvantages by maintaining or increasing the size of the unit sale.

In our candy departments it has been our policy for several years to offer Specials frequently, at substantial reductions from regular prices. Various sizes and combinations have been offered at prices ranging from 29c to \$2.50. In general, however, we kept in mind a fairly large unit sales, and we did not offer any of our regular assortments in a regular stock box at special prices. These Specials stimulated sales considerably and on the whole, I believe that they added to our profits.

Early in 1931 our candy commenced to drop. Competition was becoming keener, and business conditions worse. The loss in sales made our candy departments unprofitable in some of our stores, and caused us to make a drastic change in our merchandising policy.

As an experiment, in August, 1931, we put on sale in four of our stores, a two-pound box of chocolates, or chocolates and bon bons, for 79c. The result was a revelation to us. Although we had prepared for a large sale, our stock was quickly exhausted and we were unable to supply the demand. Since then, we have averaged about one big Special each month, with smaller Specials sandwiched in between.

There is another idea which we have just commenced to try out and which gives promise of satisfactory results. Briefly stated, it is to develop business on Gum and Jelly confections, Hard Candies, Licorice, etc., most of which we do not make in our Factory. On the Pacific Coast, few, if any, candy stores have done a large volume on these candies, because they have not featured them and because they have not offered them at attractive prices. Our policy is to carry only the very finest quality of these candies, buying them in very large quantities in order to obtain concessions in prices, and selling them on a close margin. Whatever business we get in this way is extra business and is profitable, even though the margin is slight, because it helps to carry a part of the overhead.

Advertising

Three years ago when I attended our Convention at Washington, the subject of Advertising was discussed, and several of our prominent members expressed the opinion that it was profitable to spend as much as 3% of sales in Advertising. At that time we were spending about 1%, but decided to profit by the experience of others and increase our appropriation. That one idea alone was worth several trips across the continent from California.

Our advertising expenditure now averages 3% of our sales, and we are debating the advisability of increasing it to 4% or 5%.

Before leaving this subject, it may be worth mentioning that the effect of large size, spectacular advertising in stimulating our employees and keeping them keyed up to greater efforts has played an important part in creating business.

It is one thing to have good products attractively priced, and quite another thing to sell them, in times like the present. As someone has said—"Not all advertising pays, but

(Continued on next page)

Pennsylvania Confectioners Hold Forth at Wernersville

IN spite of generally unfavorable conditions, the attendance at the Pennsylvania Confectioners' Annual Convention at Galen Hall, Wernersville, held up unusually well with a total registration of seventy-nine and, surprising as it may seem, there was little complaint to be heard about business. Those attending came bent on enjoying the good fellowship and delightful surroundings afforded by this occasion.

While the Golf Tournament and banquet were the leading events from a social standpoint, the business meetings were attended with lively interest and resulted in numerous matters of current importance coming up for discussion.

Among the resolutions proposed, and recommendations adopted, were the following, which we quote from Secretary Arthur D. Bacon's report which has just been released:

1. We believe there has been no period since the days of 1907, when the Pennsylvania Confectioners' Association was organized as the result of numerous attacks against the industry by the Pure Food Department of the Commonwealth of Pennsylvania, when, as an Association, we are in need of closer cooperation by those engaged in the candy business in the State, than at the present time.

We are confronted with a growing tendency to tax unfairly and to legislate unfairly, against the future welfare of our industry, which in the present situation can be ill afforded, all of which makes it necessary that we get together, and as some have declared, we ought to get into politics.

Therefore, be it Resolved: That the incoming President of the Association, appoint a Special Legislative Committee consisting of five members, and a Membership Committee composed of as many members as may be necessary to cover the different sections of the State, in order to secure additional members. An Association composed of citizens and voters commands the attention of politicians and is more potential in pressing claims and securing protection against unjust taxation and legislation.

2. Resolved: That the re-election of Mr. Arno E. Sander, a former President of our Association, to the

office of President of the National Confectioners' Association, is an honor both to Mr. Sander and our Association, to be chosen the leader of the industry at this particular time when leadership ought to count. We know full well the capabilities of Mr. Sander as a leader, and join in our congratulations.

3. Resolved that we appreciate the service of Mr. John A. Bachman in so ably performing the duties of President of the Pennsylvania Confectioners' Association during the fiscal years just closing, and offer to him a vote of thanks for his splendid interest and for his fine courtesy while serving as our president.

4. During the time the Revenue Bill was being considered by the United States Senate, a group of representative candy manufacturers was in Washington, D. C., looking after the interests of the Candy Industry. In connection with their efforts to eliminate the Excise Tax on candy, they had the assistance and influence of United States Senator David E. Reed from our own State of Pennsylvania. The special committee on "Excise Tax" reported this fact, and in acknowledgment of Senator Reed's help we hereby recommend that, the Secretary write a letter of thanks to him, expressing appreciation for the fine help and courtesy extended to those gentlemen.

5. Resolved: That we hereby express by a vote of thanks, our appreciation, to the Officer of the Association, the Executive Committee and members of the several special committees, for their untiring efforts in behalf of the Association during the past year.

As might be expected, the recently imposed Excise Tax and Revenue Bill absorbed a great part of the Convention's attention. As a result of the discussions which took place, the various provisions of the Tax were very much clarified.

The election of officers resulted in the following:

President: W. E. Johnson
1st Vice-Pres.: Ira W. Minter
2nd Vice-Pres.: Walter L. Hardie
3rd Vice-Pres.: John L. Hein
Sec'y-Treas.: Arthur D. Bacon

Executive Committee

Harry Dangerfield	Frank B. Putt
Robert F. Keppel	A. E. Sander
D. L. Clark	J. A. Bachman
R. C. Love	W. B. Rosskam
C. A. Asher	F. V. Wunderle

Candy Executives & Associated Industries' Club of New York City Have Adjourned Until Fall

At the last meeting of the Board of Directors of the Candy Executives' & Associated Industries' Club of New York City it was decided to hold no further meetings during June, July and August.

All the Club's various committees have been very active during the year and especially the membership and entertainment committees. Through their untiring efforts the Club has now a membership representative of the industry and the attendance has been very gratifying. Bigger and better goings are planned for fall meetings.

F. A. Magenheimer Passes Away

Frederick A. Magenheimer, Vice-President and Treasurer of Mason, Au & Magenheimer passed away on June 30 in Brooklyn.

Mr. Magenheimer was born in Brooklyn, the son of the late Louis J. Magenheimer, one of the founders of the candy concern and had spent 35 years in its service. He was well known in the candy trade. He is survived by his wife, Mrs. Margaret A. Bossong Magenheimer and a son, Frederick E. Magenheimer.

Alexander Diehl Dies in Baltimore

Alexander Diehl, prominent wholesale and retail candy merchant of York, died at Baltimore, Md., July 1.

Successful Methods

(Continued from page 43)

very few businesses pay, without advertising."

It is said that a business under normal conditions should show an increase in sales of 10% each year. Comparing our sales for 1931 with 1925, I find an increase of 72%, which is not far below this ratio. In comparing sales, no account was taken of sales in stores which we have opened since 1925.

To summarize: The methods which have proved successful in creating business during the last two years are:

1. Improvement in Personnel.
2. Training and Development of Employees.
3. Physical Improvements.
4. Store Diagnosis.
5. Budget Control.
6. Greater Values.
7. Advertising.

The fundamental principles of business do not change much, but the application of these principles must be varied to meet changing conditions.

I received a letter the other day which opened with this statement—"Business is like baseball. The hits of yesterday do not count in the game today."—A statement with which I quite agree.

Annual Sales Meeting of the American Caramel Co.

American Caramel Co. and R. E. Rodda Candy Co., held their annual joint sales meeting at Hotel Stevens, Lancaster, Pa. Salesmanager Harry A. Winterknight, Jr., in his opening address thanked the salesmen present for the wonderful increase in business the first six months of the year. General Manager W. D. Hines saw that every one present was made comfortable. The four day meeting closed with a banquet. Geo. Figari, General Superintendent, then took the boys in his car and gave them a real spaghetti dinner with all the trimmings.

The American Management Association Announces 3rd Packaging, Packing and Shipping Exposition at Hotel Pennsylvania, New York, March 7-10, 1933

The third annual Packing Exposition will open in the Hotel Pennsylvania, New York, March 7, 1933, for a four day display of the latest advances in the technique and economics of modern packaging, packing and shipping, under the auspices of the American Management Association.

The Exposition, as in previous years, will be concurrent with a succession of daily conferences and clinics, dealing with consumer marketing, packaging, packing and shipping. Preliminary exposition arrangements have already been completed and there are advance indications of widespread interest.

Sell 'Em Thru the Candy Buyers' Directory

ADVERTISE your products in the **CANDY BUYER'S DIRECTORY**, the industry's first consolidated catalog and guide book of confectionery and merchandising materials—classified by items and listing their manufacturers who have national distribution. To be published as the August issue of **THE CONFECTIONERY BUYER**, with a guaranteed circulation of 8,000 wholesale buyers, chain store and large retail buyers. See further details on pages 16 and 17.

Tie in with this permanent buying guide, introducing your complete line. Get in touch with us today to reserve your space! First forms close August 1st.

THE CONFECTIONERY BUYER

"The only publication devoted exclusively to wholesale and large retail buyers."

Division of The MANUFACTURING CONFECTIONER PUB. CO.

Southern Candy Men Elect James A. Reiss as New President

JAMES A. REISS, of the James A. Reiss Candy Co., New Orleans, La., was elected President of the Southern Wholesale Confectioners' Association at their convention held in Asheville, N. C., July 5 to 7. He succeeds C. E. Morgan, of the Morgan Candy Co., at Asheville. P. W. Rollings, of the Mobile Cigar Co., Mobile, Ala., was elected Vice-President to succeed Julian Fiske, Augusta, Ga. W. M. Wallace, president of Brower Candy Co., Atlanta, was re-elected Treasurer, and C. M. McMillan of Atlanta continues as Secretary of the association.

The convention rivaled the Atlanta meeting of last year in its constructive program of discussions on current problems facing the Southern wholesalers and manufacturers. Approximately two-thirds of those in attendance were jobbers, an increase over past years which indicates their growing interest in the association's progressive activities. **Sander and Gooch Speak**

President Arno E. Sander of the National Confectioners' Association and Joseph Gooch, Jr., President of the Institute, were the star speakers representing the industry at large. Mr. Sander discussed the "Future of the Candy Jobber," pointing out that the jobbers of tomorrow will concentrate on service to both the manufacturers whose lines he distributes and the retailers he aids in merchandising.

Mr. Gooch had charge of a morning session in which he pointed out how the Institute is working toward improved conditions for the jobbers as well as the manufacturers. "You can't get 1,400 manufacturers and 12,000 jobbers all to think alike," he said. "But if a group of both manufacturers and jobbers working together move themselves up into a stronger position with the public, other manufacturers and jobbers will also move up, and we will make the finest contribution to the industry that can be made."

In regard to market conditions Mr. Gooch made this significant statement: "The present contracted consumer demand can only be licked through price levels that permit qual-

ity merchandise. Make cheap stuff with cheap prices and you kill the taste. Everyone has gone 'cuckoo' with excessive weights and sizes. I believe I reflect a certain section of public opinion when I say that there is a class of consumer afraid of the elephant-size bar or piece, because they just assume it can't be quality. If somebody offered you two gallons of gas for the price of one, wouldn't you wonder how much water there was in it?

"I believe the candy industry will come back faster than most realize, and when it does it is our belief that the course will be clearer and cleaner and the profits of both manufacturers and jobbers more safely assured because of the Institute program," Mr. Gooch asserted.

One of the many worthwhile sessions of the convention was the "Jobber-Retailer Relationship Session," under the leadership of B. W. Biedenbarn, Ouachita Candy Co., Monroe, La. His remarks and the talk by T. W. McDonald of the Cherokee Rose Candy Co., Monroe, Ga., are published elsewhere in this issue.

The various Directors and State Chairmen elected were as follows:

Alabama—L. M. Edwards, of Edwards Cigar & Tobacco Co., Anniston; Florida—Mrs. L. P. Meares, of Meares Candy Co., St. Petersburg; Georgia—Harry Sugarman, of Sugarman-Hirsch Co., Atlanta; Louisiana—B. W. Biedenbarn, Ouachita Candy Co., Monroe (re-elected); Mississippi—H. H. Biedenbarn, Biedenbarn Candy Co., Vicksburg (re-elected); North Carolina—A. T. Lewallen, Bennett-Lewallen Co., Winston-Salem; South Carolina—L. V. Jones, Crosby-Templeton Co., Greenville (re-elected); Tennessee—P. C. Rhea, Rhea Candy Co., Dyersburg; Virginia—J. C. Quarles, Piedmont Candy Co., Charlottesville.

The next convention city will be selected by the Board of Directors, after January 1, 1933.

Schutter-Johnson Changes Officers

Mr. Max H. Sobel, formerly of Williamson Candy Co., has become associated with the Schutter-Johnson Candy Corporation in the capacity of treasurer, in charge of finances and purchases. Mr. Robert L. Schutter is President and General Sales Manager; George M. Schutter, Vice-President.

Simplified Interpretation of The Candy Tax as Applied to Retail Manufacturers

AN enlightening interpretation in condensed and simplified form of the regulations governing the 2% Excise Tax on Candy as it applies to manufacturing retail confectioners has been prepared by W. D. Blatner, Secretary of the Associated Retail Confectioners of the United States, and sent to the members as a special tax bulletin for their information and guidance.

Extracts of sections in the bulletin dealing with the condensed and simplified regulations of the candy tax are given below. Mr. Blatner's clear manner of presentation will be helpful to the manufacturing retail confectioners. The Bulletin statements follow:

The following statements relative to the 2% Excise Tax on Candy are official, having been extracted and condensed from Regulations 46 issued by the U. S. Treasury Department, Bureau of Internal Revenue, David Burnet, Commissioner.

In dealing with the basis of the tax, namely, the Sales Price, your Secretary has endeavored to interpret the Commissioner's meaning in condensed, simplified form. You must be honest in arriving at your fair market price upon which the 2% tax is computed. The price to be taxed must not only cover the actual candy, but, in addition, any charges for coverings, containers, etc., incident to placing the candy in condition packed ready for sale. Transportation, delivery and insurance charges are NOT taxed.

Basis of Tax (Sales Price)

Extracted from Articles 8 to 15, Regulations 46.

The sale price is the basis of the tax.

In general, this should be the manufacturer's actual price at his factory or place of production. (In other words, if you do a wholesale business in addition to a retail business, figure the tax on your wholesale price. If you don't do a wholesale business then figure your tax on a fair wholesale market price for which candy of a given quality is sold by the manufacturer in the ordinary

course of trade and in the absence of special arrangements). Make certain that your manufacturer's sales price properly reflects the price for which similar candy is sold at the place of manufacture in the ordinary course of trade—barring intercompany transfers at cost or at a fictitious price. The Commissioner of Internal Revenue has the power to determine in each case what is a fair market price.

Scope of Tax on Candy

Extracted from Article 63, Regulations 46.

The following articles are among those subject to the tax. Upon the commodity commonly or commercially known as candy, including various compounds of sugar or molasses or of such articles and other substances when manufactured and sold as candy. The following articles are among those subject to tax as candy: chocolate creams, bonbons, gumdrops, jelly drops, jelly beans, imperials, caramels, stick candy, lozengers, taffies, candy kisses, candy wafers, fudges, Italian creams, nougats, peanut brittle, sugared almonds, chocolate-covered fruits and nuts, glace or candied fruits and nuts, pop corn and other cereals or cereal products when mixed with or covered with molasses, sugar, or other sweetening agent, hard candies, plain and chocolate-covered marshmallows; candy cough drops, with no or only slightly medicinal value; sweetened licorice; sweet chocolate and sweet-milk chocolate, whether plain or mixed with fruits or nuts; maple sugar mixed with fruit, nuts, etc., and all similar articles however designated.

The term "Candy" does not include confectionery such as cake and pastry, butter chocolate which needs the addition of sugar before it becomes pleasing to the taste, powdered chocolate, or marshmallow paste.

Sweet chocolate or other candy may be sold tax free for use as material in the manufacture or production of taxable articles, provided such sales are supported by exemp-

tion certificates (see form of exemption certificate set forth on enclosed sheet, to be used only in connection with sales made in conformity with preceding paragraph).

Effective Period of the Tax

The tax applies on all candy sold on or after June 21, 1932, regardless of when made. The tax does not apply after June 30, 1934. Tax attaches when title to the candy passes from the manufacturer to a purchaser. In the case of a sale on credit, it is immaterial whether or not the purchase price is actually collected.

Tax Returns

Tax returns must be made in duplicate on Form 728 for each calendar month in accordance with the instructions printed on the back of that form. Returns must be under oath and properly acknowledge unless the amount of tax is \$10.00 or less; then the return may be signed before two witnesses. Such return, *accompanied with the tax*, must be filed with the Collector of Internal Revenue for your district on or before the last day of the month following that for which it is made. If you cease business mark last return "Final Return." If tax is not paid when due there will be added as part of the tax, interest at the rate of 1% a month from the time when tax became due until paid.

It is your duty to file return and pay tax without notice from the Collector of Internal Revenue.

Secure proper blanks, Form 728, from your Collector of Internal Revenue.

First return and tax payment must be made for the period including June 21 to June 30, inclusive, and must be in the Collector's hands not later than July 31, 1932.

Exemption Certificate

"The undersigned hereby certifies that he is a manufacturer or producer of one or more articles taxable under Title IV of the Revenue Act of 1932 and that the article or articles specified in the accompanying order are purchased by him for use as material in the manufacture or production of, or for use as component part of, an article or articles to be manufactured or produced by him which will be taxable under such title or sold by him under a similar exemption certificate.

"The undersigned understands that under Section 620 of the Rev-

venue Act of 1932 he becomes for the purposes of that Act, the manufacturer or producer of the article or articles so purchased, and must file returns and pay tax in the event he resells them (except under a similar exemption certificate) or uses them otherwise than as above specified."

If impracticable to furnish a separate certificate for each order, a certificate covering all orders between given dates (such period not to exceed a month) will be accepted.

For further instructions see or write the Collector of Internal Revenue for the district in which your business is located.

Personnel Developments

(Continued from page 37)

me my box, took the money, then reached back of the counter, brought up a chocolate in her fingers, slid it across the glass and remarked in a thick brogue, "There's a piece of candy fer yuh." Her training had begun twenty-five years too late.

Direct Management

The problem of lowering the cost of distribution, and in our particular case, the cost of selling candy, has been thrown right into the laps of store managers. In the past we have probably tolerated a great deal of waste in our sales forces.

This condition is being examined through studies, carried on with a minimum of expense, showing the time when sales occur. When these figures are examined, a selling organization can be built to handle the number of sales to be expected on different days, at different hours of the day, and in different departments.

The problem is being met by training help in two or more departments, bringing in part time workers to handle peak hour crowds, and by separating the duties of selling from those connected with cleanliness and supply. The small manufacturing retailer is in an ideal position in this respect, as he can utilize his people in the factory for certain hours, and in the store when they are needed. But the success of this planning has also been proven in large department stores, and is reported in a book by Anne Bezan-sow entitled "Wage Methods and Selling Costs."

Summarizing

I have purposely avoided the subject of wage payment plans because

the subject is highly controversial and methods vary so greatly that a full discussion is not possible in the time allotted.

There are some definite thoughts on personnel management that have been crystallized by the changed conditions we have had to face during the past year or two, which I summarize as follows:

1. This is an excellent time to lay the foundation for a loyal and efficient organization.
2. Sales training is wasted on people without some degree of home training and culture.
3. Training has proven its worth even in times of stress, when a flexible program is used, allowing for the introduction of timely problems.
4. Great savings can be made by management when, as the result of studies, salespeople are supplied only at the time and places where they are needed.

"Tasty-Lax" Barred

Registration of "Tasty-Lax" as a trademark for chocolate laxative made by Blackstone Products Co. has been denied by the Commissioner of Patents on the ground that the name is deceptively similar to "Tastyeast," a chocolate covered yeast product made by Green Bros. Co.

PATENTS

1,781,672. Chocolate Material and Method of Making Same. Earl B. Working. Manhattan, Kans. Filed July 16, 1930. Serial No. 468,463. 13 Claims. (Cl. 99-11.)

1. A chocolate mass adapted for coating cores of confectionery, comprising chocolate and a small percentage of added lecithin, the percentage of lecithin being sufficient to at least retard "graying."

3. In the art of making confectionery, the herein described improvement which comprises incorporating, at any stage of the manufacture, with confectionery material including chocolate carrying such amounts of fatty material as to be normally subject to "graying," a sufficient percentage of lecithin to retard "graying."

1,781,636. Candy. Irma Huys Vander Gheynst, New York, N. Y. Filed Dec. 13, 1927. Serial No. 239,811. 2 Claims. (Cl. 99-16.)

1. A method of producing a candy which includes as an ingredient an initially extracted uncooked vegetable juice, consisting in incorporating said juice in the candy by cooking of the same with the candy, and by cooking with the candy and said juice for a predetermined period of time a substance for concealing the unpalatable flavor without destroying the nourishing or medicinal qualities of the vegetable juice.

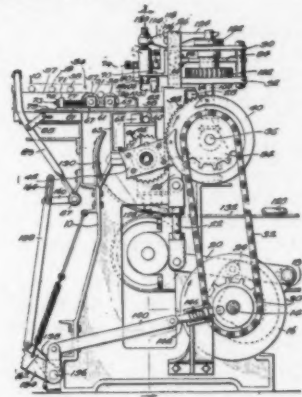
1,789,983. Process for Cooking Candy. David Millar, St. Louis, Mo. Filed

Mar. 10, 1930. Serial No. 434,822. 4 Claims. (Cl. 99-16.)

3. The process of making candy which comprises mixing a batch of dehydrated dextrose with an edible oil, heating the mixture to a temperature sufficient to melt the dextrose, separating the melted dextrose from the oil and recovering the dextrose.

4. The process of making candy which comprises mixing a batch of saccharine substance with an edible oil heating the mixture to approximately 260° F., decanting the oil and recovering the saccharine substance in melted condition.

1,836,349. Candy Forming Machine. Brasher O. Westerfield, Chicago, Ill., assignor to Bunte Brothers, Chicago, Ill., a Corporation of Illinois. Filed Nov. 22, 1928. Serial No. 321,049. 26 Claims. (Cl. 107-4.)



1. In a machine for forming candy canes and the like from a plastic candy strip, a strip receiving means, means to introduce a candy plastic strip laterally into the receiving means, means for forming a crook adjacent one end of a plastic strip on said receiving means, the remaining portion of the strip being maintained in elongated form to provide the staff portion of a cane, driving means, and means connecting the forming means with said driving means.

1,836,303. Process for the Production of Milk and Cream Chocolate. Philipp Born, Bad Homburg, Germany, assignor, by mesne assignments, to Naamlooze Vennootschap Nederlandsche Gruyère-Blommelk Fabriek, Zwolle, Holland. Filed Feb. 26, 1926. Serial No. 90,972, and in Germany Feb. 27, 1925. 5 Claims. (Cl. 99-11.)

5. A process for the manufacture of edible milk chocolate which comprises adding a milk preparation consisting of blocks obtained by the evaporation of milk or cream with the addition of sugar to give a solid substantially free from water, to the chocolate forming constituents such as cocoa, sugar and cocoa-butter mixing the same in a mixing machine to form a doughy mass, rolling the mass and grinding it with the addition of cocoa-butter, whereby the grinding is started at 35-40° C. and the temperature then gradually raised to about 85° C., which temperature is maintained until the grinding is completed.

How I Have Conducted My Business the Past Year

By MRS. ORA SNYDER

Mrs. Snyder's Candies, Chicago, Retiring President, Associated Retail Confectioners of the United States. An Address at Buffalo Convention.



A FEW years ago if anybody had suggested that I have Special Sales, or reduce my prices I would have laughed at them, but the past year has certainly made everyone sing a different tune, and I find that we must go along with the times and act accordingly. With the reduction in cost of raw materials, also in our rents and employees' wages I certainly was glad to give the consumer the benefit of the saving.

Reduced Prices and Featured Inexpensive Weekly Specials

I made a reduction in my prices, ranging from 10% to 25%. There seemed to be a demand for less expensive Specials, so each week I sold a candy, not included in my regular line, for 35c a pound and ran the sale for three days of each week, with a big window display and a large printed sign to tell the story. I am sure you will be surprised to hear that I sold about 5000 pounds of this candy at each sale. This shows that there are certain people who can only buy the less expensive varieties, but they enjoy the lower priced candies because they have confidence in the quality of the raw material we use.

Mrs. Snyder's Merchandising Promotion Practices

With these specials I have used *newspaper advertisements*. The sales girls were instructed to talk up *other candies* to customers who came in for the sale product, and in many instances other candies were purchased.

I find also that the demand for the *larger box* is on the decline, and perhaps the most encouragement anyone could have these days is the *increase in the number of custom-*

ers, regardless of volume in dollars and cents.

Our newspapers have reduced their advertising rates considerably so you can see even they are feeling the times.

With our holiday periods I found that the customers did not wish the *fancy boxes*, and were simply after the merchandise, packed as inexpensively as they could get it.

I try to keep my shops *up to the minute*, with new hangings, keeping my walls freshly painted, windows and shops well lighted and as *cheerful* as possible. I have advised my girls not to talk depression and to smile more than they ever did in their lives.



Reduced Overhead Costs

During 1931 I employed fourteen *porters* in my various shops. Since distributed the work among the re-January 1st I have laid off five and maining nine. I have made a sub-

stantial saving in the *kitchens* by keeping all the employees and operating only four days a week. This method keeps a larger number employed and the saving is more than could be effected by discharging a few and keeping the others a full week. I might add that this method of part time for all has been very satisfactory to the employees. Closing the kitchens for two days a week not only saves wages but electricity, both light and power.

Formerly I had all *display signs* printed at an expense of several hundred dollars a year. Last January I purchased a sign printing machine at cost of \$200, and it has almost paid for itself in the past five months.

● *At Mrs. Snyder's Candy Shops all the fine points of good merchandising and display are applied in selling her high quality candies. The above was taken during the recent Easter rush. Mrs. Snyder is in the midst of the crowd, serving customers from her section in the right corner foreground.*



●AS SPOKESMAN for his group in candy distribution, Joe Jobber presents in this column substance of interviews with leading jobbers on points of interest to manufacturers.

A Rap at Bar Goods

MANUFACTURERS today are killing the candy business by too much emphasis upon bar goods, believe it or not. There are too d—many bars on the market now, and still every manufacturer is trying to make another bar. The consumer has been made "bar" conscious—and when he thinks of candy he thinks of a bar or pocket package.

King and Queen Consumer can get nearly any kind of candy they want these days in a bar or small package—at almost any price they feel inclined to pay: 2 cents, 3 for 5, maybe 5 or 10, and if they happen to strike a guy retailer on one of his generous days they can carry away a hatful for a dime or fifteen cents. (That's an idea—feature a hatful instead of the commonplace basket and circus-type sign! Do I hear any objections? . . . No objections—the ayes have it. Motion carried. . . A hatful for a dime!)

Is it any wonder then, that the members of the Royal House of Consumer are turning a cold shoulder to bulk and higher priced package candies, excepting on the rare occasions when they feel like strutting their stuff and laying on the "dog" for a heavy date, or what have you?

The Consumer Family can get more than their fill in the average bar, and their appetite is abundantly appeased with a bar, until eventually they get around to where they can again stand another stuffing of our none-too-high-grade offerings of handy-package sweets. Yet, the manufacturers blame the ruin of the bulk and package business onto the depression—or the jobber, or the retailer, or the changing times.

And let me ask you—Is the in-

dustry as a whole making any money on the present bar and small package goods business, under the existing price conditions?

Price-Cutting

Speaking of price-cutting, conditions in the jobbing trade would be greatly improved if the manufacturers were more united on prices. Instead of the manufacturers selling at anywhere from 50 cents, 51, 55, 60, 62½, up to 64 cents a box, if they would get together at around 64 cents and make a fair profit, the jobbers would likewise get a more uniform price and make a fair profit.

The jobber today is virtually auctioning off his merchandise to the retailers. We find that when the dealer pays 65 to 68 cents, or less, a box he too gets the price-cutting idea and sells 3 for 10 cents, without a profit. But when he pays 75 to 80 cents he sells for a nickel and makes a fair profit.

Under the low-price policy, at the end of the year the retailer, jobber and manufacturer wonder why they have made no profits on candy. Unfair competition is running rampant under present conditions, yet what are we doing toward improvement?

We all know how the public utilities put up a big fight to raise the transportation fares even as much as a penny. The same thing is true in regard to gas and telephone rates. Yet the manufacturers and jobbers are giving nickels and dimes away every day. The fact is, there is

more money wasted today than is made on candy merchandise.

If the manufacturers and jobbers were all getting a fair price, it would be easier to get business on its merits. For example, the firm with the better quality and better salesmen and better service would get the business. But there would be no bargaining on price.

I don't operate my own business on a price appeal basis, and we discount all our bills. Our slogan is quality, service, confidence, a fair profit for everybody, and economy in our own operations. As long as I have the merchandise on my hands I am boss and can control my business. But if I go too far without a profit, then it soon is too late and it means the end of the business.

My Business the Past Year

(Continued from page 48)

In my shops where three or more salesgirls are employed each girl takes two days off a week, and I save the wages of one girl and keep all employed.

I still have managers' meetings where they may exchange ideas, also give each other the benefit of customers' viewpoints—which are most beneficial.

Window Displays Feature Less Expensive Items

I have changed my window display by featuring less expensive candies, with a display card showing the names of the various pieces and their respective prices. I constantly add new and inexpensive fancy containers and novelties to keep the public interested. I have packed salted peanuts and assorted salted nuts in small Cellophane bags, also put out various five and ten cent packages.

When a customer objects to the price of my regular assortments I have instructed my salesgirls to offer to pack a 50c assortment from the less expensive varieties.

The Rental Problem

My greatest problem, perhaps, has been getting reductions in my rentals. I found that by giving the landlord gross sales figures for the past three or four years, and asking for only one year's reduction, where the lease runs several years, that I was successful in getting the desired reduction on ten of my eleven shops.

Report of the Traffic Committee

By WILLIAM R. MOORE
Eastern Confectioners' Traffic Bureau

AS one of the eastern members of the Traffic Committee, I have been instructed by the General Chairman, Mr. Hughes, to submit the report covering the subject of the present freight rates and the classification ratings applicable on candy or confectionery: chocolate, chocolate coating, cocoa powder; cocoa butter, candy cough drops, and show the effect these rates have had upon the cost of distribution, on account of which your Traffic Committee met in the office of the General Chairman at Chicago on March 4th, to decide upon formal action to reduce the present classification ratings on these commodities:

Railroads File Application for 15 Per Cent Increase in All Rates

In June, 1931, the railroads of the United States filed an application before the Interstate Commerce Commission for permission to increase all existing freight rates and charges 15 per cent. This advance, if granted, was also to be applied to the new rates prescribed by the Interstate Commerce Commission in the Eastern and Western Class rate cases, and which rates became effective on December 3, 1931. These rates, as compared to 1914, averaged 88 per cent higher than the level of candy rates in 1914.

Mr. Wm. F. Heide, Chairman of the Eastern Confectioners' Traffic Bureau, after receiving a report from the Traffic Manager, showing the effect of the 15 per cent increase on the then existing rates applicable to commodities purchased and produced by the manufacturers of confectionery, together with a statement showing the advanced rates to become effective on December 3, 1931, called a meeting of the Board of Directors in New York City on July 9, 1931. As the subject was

one not involving or affecting the manufacturers in one section—but all manufacturers located throughout the nation, your President, Mr. Arno E. Sander, and Mr. Walter C. Hughes, your Secretary, who is also General Chairman of the National Confectioners' Traffic Committee, were invited to attend the meeting. The effect of the 15 per cent increase on the then existing rates, together with rates effective December 3, 1931, were considered. It was the unanimous decision to oppose the railroads' application. Formal petition was submitted to the Interstate Commerce Commission on July 12th in behalf of the National Confectioners' Association asking for the dismissal of the carrier's application. The proceeding was known as Ex-Parte 103 before the Commission. On August 11, 1931, the entire Commission sat in Washington to hear opposition to the railroads' application, at which time the Manager of the Eastern Confectioners' Traffic Bureau made a statement in the records for the National Confectioners' Association in opposition. The Commission denied the application of the railroads, but granted until March 31, 1933, an emergency charge of 2c per hundred pounds on all commodities.

New Rates Higher Than Traffic Will Bear

With the publication of the new freight rates prescribed by the Interstate Commerce Commission, predicated on mileage, effective December 3, 1931, we found that they averaged in the East and West, considering the prior adjustments of rates made in southern territory, 88 per cent higher than in 1914, and prices of candy were steadily on the decline.

Your attention is called to the fact that the first four classes, that is, the

first, second, third and fourth classes are advanced severely. We particularly emphasize this situation because every commodity used in the production of candy or confectionery, with the exception of cocoa beans, sugar and cocoa powder, in bulk, fall within the first four classes. Not only has the industry been advanced with its raw materials rates, but its finished product as well. Many of the items of raw materials are indeed rated higher than the finished products. We are not dealing in this report with any other ratings than those specifically referred to, but in passing we did feel that it was important to bring the facts regarding the advances in the first four classes.

In a rate case before the State of New York, the Public Service Commission, in discussing the freight rates prescribed by the Interstate Commerce Commission and in effect since December 3, 1931, in part stated:

"The increases resultant from the proposed rates are most severe in the case of the first four classes which generally carry the higher grades of class rate traffic."

Railroads Reducing Rates to Meet Motor Truck Competition.

Since the publication of the new freight rates December 3, 1931, it has been noticeable that the carriers are making rates to meet motor truck competition, and in the adjustment of rates it has been the practice to reduce the first three or four classes, indicating that the carriers realize that if they hope to hold tonnage to their rails it is imperative on their part to fix rates that will attract the tonnage back to the rail lines. The Committee are not unmindful or unaware of this fact, but wherever these reductions

are made, and they are frequently made, it does not give the broad, general relief that is so much needed by the manufacturers of confectionery in the east, in the west, in the north and in the south. These reductions, we believe, which are made to meet motor truck competition will be helpful in supporting our argument that the present rates on candy or confectionery, chocolate and chocolate coating, cocoa butter and candy cough drops are too high.

Application for Reduced Rates

At the conclusion of the meeting of the Traffic Committee in Chicago on March 4th, which was attended by your President, Mr. Sander, it was the unanimous decision that a canvas be made with the members of the National Confectioners' Association for subscriptions to defray the expenses in a classification proceedings, each member being assessed according to his sales, so that every one of the members would bear a fair and proportionate share of the expenses involved—first, to gather data for filing a formal application before the Consolidated Classification Committee, and if that body declines to give relief, to proceed immediately before the Interstate Commerce Commission with a formal complaint. It was the opinion that the chewing gum industry and the Association of Manufacturers of Chocolate and Cocoa of America would assume one-third of the total cost, estimated to be \$8,500.00, but the chewing gum industry, on account of their values, declined to join, and the chocolate industry stated that as they were members of the National Confectioners' Association they would join as members in helping defray the cost of the case. No action was to be taken until Secretary Hughes received pledges that the cost of the case would be borne by the membership.

Application to be made for the following ratings:

Less than car load: third class or 70 per cent of first.

Carload, min. 36,000 lbs.: fifth class or 40 per cent of first.

If these reductions are granted, it

will effect savings averaging 15 per cent on both carload and less than carload shipments.

Weight of Count and Penny Goods Increased

Your Traffic Committee call attention to the fact that weight of count and penny goods run from three-fourths to one and one-half pounds heavier than in 1928, and this weight factor has increased your freight cost.

Sales Decrease and Freight Rates Advanced

Recent figures disclose that of 260 manufacturers reporting out of 405, their sales decreased from \$188,000,000.00 in 1929 to \$139,000,000.00 in 1931, and profit dropped from \$6,209,000.00 to a loss of \$1,373,000.00. Your Traffic Committee are aware that all raw materials have been reduced, and by reason of this we may say that the lower prices in the industry are offset by this condition, but the loss of sales without any proportionate decrease in overhead eliminates this as a fact, for when manufacturers analyze their overhead cost prior to 1929, very few in the industry were paying freight. In 1931 everyone is either allowing or paying freight.

Your Traffic Committee are informed that it has been variously estimated that this freight cost on sales is 4 per cent, so that 4 per cent of \$139,000,000.00 would be \$5,560,000.00, and were the industry not compelled to pay this freight bill there is no doubt that a loss would be a profit presumably. By effectuating a 15 per cent reduction in the present level of freight rates, it will result in an approximate saving of \$834,000.00, so that the sum of \$10,000.00 expended as to produce this result is insignificant compared to the savings for the manufacturers.

Attorneys Submit Views

Your Traffic Committee after carefully considering the chances for winning this case, also decided to obtain the views of two prominent Commerce attorneys—Mr. Joseph C. Colquitt of Washington, D. C., and Mr. E. E. Williamson of

James, Williamson & Scott, Washington, D. C., and New York. Space will not permit of the inclusion of their report in this statement, but we quote below excerpts taken from letters of the respective counselors, and which will give you an idea of their attitude regarding this classification case:

Excerpt from letter written by Mr. Joseph Colquitt, counselor-at-law, Washington, D. C. Mr. Colquitt is a very able attorney and familiar with classification cases. Letter is addressed to Mr. W. C. Hughes under date of March 23rd:

"My best judgment is that the Classification Committee would turn you down. In case of a formal complaint, the burden would be upon you as complainant. Based on precedent, I am inclined to doubt that you could sustain this burden. However, if the Commission does not adhere too closely to precedent and to what is because it is, and takes a broad view of changed conditions, the final result might in the end justify your having brought a complaint. At least, conditions are such that you would not be criticized for bringing one."

Excerpt from letter of Mr. E. E. Williamson, Commerce attorney. (Mr. Williamson is also a very able counselor—and a rate expert, having been affiliated with the Eastern and Western cases. Mr. Williamson is also a classification expert. This letter to Mr. Hughes under date of April 7, 1932:

"You understand, of course, that no one can positively discern just what the Commission will decide in a case of this kind, but based upon what I have said in this letter, and upon other facts which I have not here recorded, and predicated on my general knowledge of the situation, my opinion is that your chances for success before the Commission would be eight out of ten. In other words, I am of the opinion that you have more than a fighting chance for success."

It is the opinion of your Traffic Committee that the subject should be followed through to a conclusion without delay, and that the case be financed by the members of the Association.

Facing the Future with Canada's Confectioners

*Disdaining the role of prophet,
retiring President Wardropper
suggests constructive steps
as aid to business adjustment*

An Address by
JAMES WARDROPPER
of Rountree & Co., Ltd.
Toronto, Canada

REFACING his address with a brief discussion of facts and figures relating to the agricultural and manufacturing industries in general, Mr. James Wardropper, retiring president of the Confectionery Biscuit and Chocolate Industries of Canada, continued as follows:

It is unfortunate that we have no figures which would enable us to give a true and balanced picture of the experience of our industry during 1931. While it is true that the published results of certain firms in the industry show that some have been able to maintain their turnover on a relatively high level, it must be admitted that most firms, particularly those with a Dominion-wide distribution have suffered severely during the past year. The confectionery section of our industry depends to a large extent upon "impulse buying," and any considerable reduction of purchasing power such as this country has undoubtedly suffered is bound to produce its damaging effect upon the industry as a whole.

Let us for a moment take a look at this industry of ours represented in this annual convention.

"In 1930 the output of biscuits, confectionery, cocoa and chocolate was valued at \$58,059,602. The 28 establishments comprising the industry reported a capital investment of \$54,406,093; they furnished employment to 12,291 persons who were paid \$11,104,668 in salaries and wages and paid out \$25,044,901 for materials. The province of Ontario is the largest producer of biscuits and confectionery. In 1930 the 120 plants located in Ontario employed 55 per cent of the cap-

ital, produced 54 per cent of the entire output and gave employment to 48 per cent of the persons engaged in the industry."

One is apt to think of the industry as composed of the 15 large firms who each have an invested capital of over \$1,000,000, who produce goods of an annual value of more than \$1,000,000 and who employ more than 200 employees, but we must not lose sight of the (roughly) 200 firms at the other end of the scale whose capital averages \$11,000, whose annual production is \$12,000 and who employ on the average 5 persons per establishment. All firms, large, intermediate and small, represent the biscuit, confectionery, cocoa and chocolate industry and there is room for all of them within our association for the small firm of today may become the large firm of a decade hence.

Business Trend Cannot Be Predicted

What the trend of business for the coming year will be is a serious question confronting the industry today and in view of the disturbed condition of industry generally you will hardly expect me to be a prophet on the development of trade in this country. I must take refuge in James Russell Lowell's advice in the "Bigelow Papers"—"Don't never prophesy—unless y' know!" Our fortunes cannot move in a direction opposite to that of the national production and trade. There must be a rise of agricultural and raw material prices or a relative fall in the

prices of manufactured goods before the present situation can be fully corrected. Whether this can or will come by international agreement on reparations of war debts, through restrictive arrangements on raw material production, through lower tariff walls, or such devices as intra-Empire trade as foreshadowed by the forthcoming Economic Conference to be held at Ottawa in July, by managed currencies, or the like is outside the scope of our discussion this morning. We might, however, with advantage examine some of the tendencies within our industry which are characteristic of bad times and which may hinder or improve the prospects of business.

In times of stress such as we are now experiencing there is always the temptation to seek salvation for oneself by pursuing an individual course of action which promises advancement at the other fellow's expense. When the manufacturer finds himself facing the problem of the "half-filled factory" with mounting factory and distribution costs, or the distributor is confronted with rising costs and vanishing profits owing to falling turnover, he is apt to break out recklessly with a price cutting policy and by keeping a step ahead of his competitors trying to restore his waning fortunes. Probably Dun's and Bradstreet's are in the best position to tell us what are the results of such short-sighted policy and the experience of firms across the line who have sought this way to salvation should have taught us that

this is not the way out. When one enters into association with one's fellows, either as manufacturer or distributor, it is true that freedom of action is to a certain extent sacrificed but this is compensated for by the strength that is derived from wisely guided cooperation. Greater efficiency whether in the field of manufacture or distribution has the right to its own inherent rewards, but the gains of unethical individualism are transitory and short lived.

Another characteristic of times such as we are now experiencing is the frantic and sometimes panic-stricken efforts to maintain volume and profits by a flood of new and altered lines. The large number of lines issued under such circumstances governs the cost to the manufacturer of his novelty and experimental work, his rate-setting and costing departments, the research and technical departments and the cost of samples to the sales staff and the trade generally. Too many new lines prevent the concentration of sales efforts. The selling time of salesmen is wasted in attempting to secure distribution and display of new and untried lines, when the same effort would yield better results on "proven" lines. Longer runs and cheaper production in the factory are impossible when production is asked to turn out a succession of new lines. New lines furthermore increase the cost of surplus packing materials and special ingredients, moulds, etc., and specialized equipment. New lines absorb a disproportionate amount of time of administration staff in all departments of the business and merely confuse and destroy the interest of the trade in the products of the firm. A too rapid flow of new lines has the effect of a diet of cocktails and "pick-me-ups." We should systematically profit by the careful analysis of our experiences of successes and failures in our search for the novelty line which is going to put us right in the center of the map.

Some Constructive Steps

I have taken so much time to express by personal opinion as to what will not solve the problem that con-



fronts us that it may be well to present a balanced point of view by indicating some constructive steps which should help. The high cost of distribution is probably the greatest problem confronting industry today. For all practical purposes we can claim that the problem of material production is solved, for any industry engineers can with comparative ease lay out a modern plant embodying tried and proven methods of accomplishing the desired objective; they can plan and control economical production, and given a certain minimum volume of output, can predetermine factory costs within fairly narrow limits. The real problem of industry begins when the attempt is made to get the goods produced into the hands of the ultimate customers at a reasonable cost. The world awaits the group who will do for distribution what Taylor and his confreres did for production a generation ago. If one might venture an opinion it would be that the most fruitful line of approach towards the solution of the problem would be the same as that employed by Taylor, viz.: systematic analysis and research in the widest sense of these terms.

The primary requisite of a sales administration is a first-hand and first-rate knowledge of the market. What is implied by the use of the term "knowledge"? "Belief" may be defined as "unquestioning acceptance by the mind" and is a purely individual act, whereas knowledge is that which has been proved to be in accordance with all known facts and is quite general and capable of demonstration to any normally-gifted person. How much of our sales effort is really based on knowledge and how much on belief or "hunches" to express the idea in the vernacular? How many selling campaigns have been launched merely on pious hopes and carried out by inspirational salesmanship and have

failed for the same reason! Of course they must be supported by advertising which too often means buying outdoor or newspaper space or time on the air, filling this space or time with some idea pleasing to the principal executive and hoping for the best, as though advertising were a remedy or support for fallen arches, or a gambler's system of breaking the bank as one writer has expressed it.

Highly organized businesses of today are characterized by the evidence of the exercise of plan and forethought in every detail of their operations. In no department of business is this more necessary than in the distribution side for money can be wasted here more easily than in any other division of a business. To borrow a sentence from "What About Advertising" by Goode and Powell, we must "plan our sales efforts with the canniness of a Scotch engineer and test the results with the patience of a German analytical chemist!" We must regard advertising as a sane, tested process for assuring that a good many people will want and buy our goods in good times and bad; we must realize that inspirational salesmanship is being matched increasingly by scientific purchasing; that every dollar spent in industry, whether for raw materials, labour, equipment, sales staff or advertising should be equally productive of results; that business today can only be obtained by aligning our policies with the trend of the times and that unless our goods, subjectively considered, represent value for money, the consumer will readjust his consumption schedule to the benefit of other industries.

Joint Distribution of Allied Products

However closely we approach the ultimate rationalisation of our businesses the fact remains that in this Dominion of ours the cost of distribution will always remain high. The sparseness of population, the vast distances with high freight costs, the dual method of selling to jobbers with the necessity of maintaining "detail" salesmen who canvass orders for the jobbers, the high costs of advertising, etc., all contribute to

FACING THE FUTURE WITH CANADA'S CONFECTIONERS

raising the cost of doing business. I have often thought that there are great possibilities in the idea of joint distribution between manufacturers of allied products which are not directly competitive in the narrowest sense of that term. Perhaps the near future holds some possibilities in this direction though time will not permit a full development of the idea which seems to contain at least a fruitful germ for Canadian manufacturers.

Before closing, however, I should like to express a few thoughts on the forthcoming Economic Conference at Ottawa from which so much is hoped as a real step forward towards the economic recovery of this Dominion and the rest of the British Empire. There will undoubtedly be a strong effort made by certain British manufacturers to have the British Preferential Tariff reduced, but this plea should be firmly rejected by the Canadian Government acting on our behalf. The trade in confectionery, so far as Canada is concerned, is and will remain for a long time a purely domestic industry, and the balance of trade will always remain against Canada.

The most recent figures published here by the Dominion Bureau of Statistics show that on Biscuits the imports into Canada for the twelve months ending March, 1932, were valued at \$325,084 and of these \$209,268 were imported from Great Britain. As compared with a similar period in 1931 the total imports had fallen by 31.6% while imports from the United Kingdom fell only 22.0%. Against these imports Canadian manufacturers, in the twelve months ending March 1932, exported Biscuits and bread to the total value of \$103,050, of which \$6,594 went to the United Kingdom. Any reduction in intra-empire tariffs so far as biscuits are concerned would therefore have a harmful effect upon the Canadian industry.

A similar position arises in connection with Confectionery. The imports of Confectionery into Canada for the twelve months ending March, 1932, were valued at \$705,319, and of these \$434,339 were imported from the United Kingdom. As compared with a similar period

in 1932 the total imports had fallen by 26.7%, while imports from the United Kingdom fell only 20.5%. Against these imports Canadian manufacturers, in the twelve months ending March, 1932, exported Confectionery, Candy, Chewing Gum to a total value of \$687,384 of which only \$149,089 went to the United Kingdom. I think I will be voicing the unanimous opinion of this representative convention if I make the claim that any action on the part of our government which makes it easier for manufactured goods of the class or kind known as Biscuits or Confectionery, Cocoa or Chocolate products to enter Canada will react to the serious detriment of Canadian workpeople and hinder the recovery of the industry.

There is just one further point and then I have finished. Faced with the necessity of raising huge sums in new taxation in order to balance its budget, our Government has, in the last two budget days, placed heavy burdens upon our industry, the full extent of which is perhaps not as fully realized as it should be. Manufacturers, of course, have realized the fact to their sorrow. Before the 1931 budget the sales tax on turnover amounted to 1%. Last year the sales tax was raised to 4% and an excise tax of 1% on all imported goods, whether dutiable or not, was imposed for the first time. This year the sales tax has been increased to 6% and the excise tax to 3%, and the partial exemption of sales tax on biscuits has been entirely removed. Raw materials comprise roughly one-half of the sales price of goods in our industry so that we have been asked to bear additional direct taxation of 6½% on our turnover. Six and one-half per cent on turnover represents a handsome profit in itself and such a crippling burden upon our activities is making continued existence impossible for many firms. We

look, therefore, with confidence to the easing of this burden at the earliest moment, and to adequate protection from imported goods from countries where lower wage cost, duty-free raw materials and, in some cases, depreciated currencies, give an unfair advantage over the Canadian producer.

Labels Tell Imitation Used in Making Candies

BOYS and girls who, 20 years ago, went to the store for a bag of stick candy, gumdrops, licorice, or other confectionery are now buying most of their sweetmeats in boxes or in transparent wrappers, says J. W. Sale, of the Federal Food and Drug Administration. In those days, says Sale, there was little to be found on confectionery labels which would aid the buyer in making a purchase. But candy labels are more informative today.

"Chocolate-coated candies, such as bon-bons, creams, and fruits, generally bring the highest price of any confection on the market," Sale says. "And when the word 'chocolate' appears upon the label the purchaser may be sure that genuine chocolate was used. Cheaper ingredients, such as hydrogenated coconut oil, are sometimes used in adulterated chocolate coatings. When these substitutes are wholesome, as is usually the case, Federal food officials do not object to their use, provided the label plainly states this fact."

Many kinds of nuts also go into the manufacture of confections, and it is the duty of the Federal Food and Drug Administration to see that only sound and wholesome nuts are used. The administration removes from the market every year numerous shipments of imported and domestic nuts, because the goods have been found to be wormy, moldy, or otherwise unfit for food. The pure food law requires that all packed foods entering into interstate trade bear a plain quantity-of-contents statement upon the label. Some boxes of candy look as though they hold one pound, but actually contain only 14 ounces.

During the past few years there has been a marked increase in the sale of candy bars boxed or wrapped in cellophane. These, too, must be labeled with a quantity-of-contents statement. Any other declarations made upon the label must be truthful. Packaged hard candies, such as fruit drops, or jelly beans with fruit centers, are also on sale. When the label on the confection bears the name of a fruit, unqualified, the flavor used must actually have been derived from that fruit. If imitation flavors are used, the name of the fruit must be preceded by the word "imitation."

(Dept. of Commerce Report)



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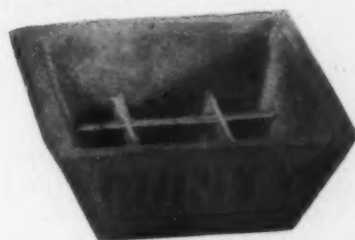
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Fill these dishes with Marsh-
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Now—More Than Ever—

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There is no sub-
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Pack-adages

(Continued from page 25)

inherent in their packages was covered up, namely, the foil. Silver, because of its light reflecting power, has great intrinsic attention value. Besides it is very pleasing to look at and very pleasing to touch. We appreciate of course that its sensitivity to temperature changes may be one of reasons why it is invariably covered with paper. But in view of the fact that many paper backed foil papers are available which can be handled on wrapping machinery, it seems to us practical to suggest that foil should come out of hiding and do its display duty. Accordingly, in designing CHOCOBAR which is illustrated herewith, we decided to base our design on simple unadorned foil. To this we have added a glossy black wrapper lettered in silver to give distinction and to impart an air of richness and prestige. We felt that the simple, glossy black band required no adorn-

ment other than distinguished lettering, which is modern in spirit without being "modernistic." In employing bright foil as a background we not only secured the attention value inherent in its light reflecting power, but we also secured unusual identifying power because the foil acts as a reflector of the design. In other words that simple black band is emphasized in a very striking manner.

We had another reason for using foil. Unlike transparent and plain paper wrappers the foil wrapper never loses its identity even when it is displayed with many other foil wrapped packages. The reason for this is that the brightness of the foil surrounds and emphasizes the colored band and in so doing calls attention to that band.

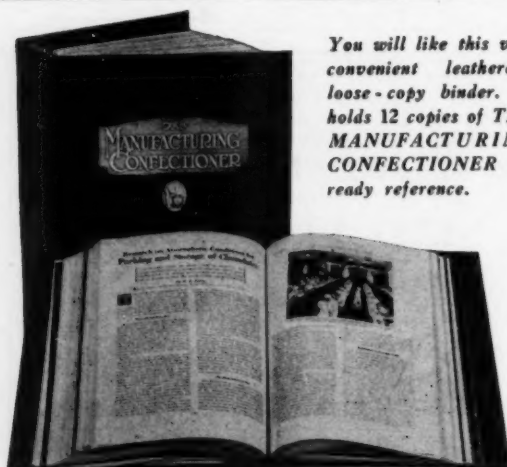
In designing the bar we decided to follow the law of Pythagoras in working out its proportions. The relation of width to length stands in

the ratio of 3:5. It is the same width as the Hershey bar, but is about an inch and a half shorter and somewhat thicker. This we felt gave a size impression more effective than its hypothetical competitors. In the placement of the band we were governed by the same motive. It is obvious that if we had placed the band around its lateral dimension, we should have detracted from its size impression and destroyed its harmonious proportions.

Our motive in designing this package was simply to make a beautiful package. We have not considered the product at all other than to suggest its nutritive value in the sub-head which describes its character. Your comments will be appreciated.

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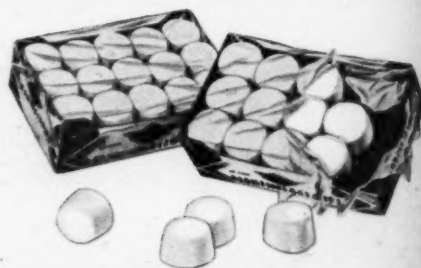
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